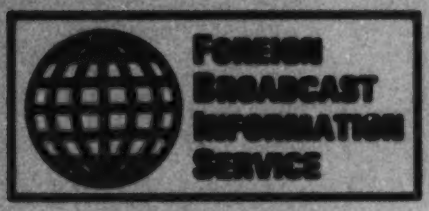

Daily Report

East Europe

FBIS-EEU-96-068
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Daily Report
East Europe

FBIS-EEU-96-068 *8 April 1996*

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ALBANIA

Albania: New PD Chairman on Party Congress, Elections

AU0504195796 Tirana TVSH Television Network in Albanian 1800 GMT 5 Apr 96

[Interview with newly elected DP Chairman Tritan Shehu by Sokol Terihati in Tirana on 5 April—live or recorded]

[FBIS Translated Text] [Terihati] Mr. Shehu, how do you feel now that you have been elected Democratic Party [PD] chairman?

[Shehu] To be frank, this is a responsibility, but also an honor and a trust that the PD delegates, structures, my friends, and those who have started to work on this road, have bestowed on me. I would like to assure everyone that I will do my utmost and everything possible to best carry out this hard and responsible task that they charged me with. I thank all of them.

[Terihati] What was new that the third congress of your party brought about?

[Shehu] I think that the new elements that came out of the congress are numerous. First, the congress not only analyzed the four-year work of the government and the two-year activity of the party, but also unfolded the main lines of Albania's development in the next four years to come. These lines were particularly drawn by President of the Republic Sali Berisha and Prime Minister Mr. Meksi, undoubtedly confirming that we will march on the road we have started to ensure welfare and increase the economic well-being of the individual. This also concurs with our idea that our victory is a victory of all, because, just as all profited in 1992 from our victory and all now live better, the same thing will undoubtedly happen in 1996. Our basis will be to be integrated into Europe, to improve the economic situation, to increase the social assistance, to strengthen the social state, education, health, and, in the end, to increase the personal and family well-being of the people.

Two other elements also came to the fore at this congress. The first was the participation and the large support that the European democratic forces gave to the PD, thus voicing their desire for Albania to continue with the same alternative with which it started, as the sole alternative to lead it where it desires to go, i.e. to be completely integrated into the political, economic, and social structures of Europe.

On the other hand, I would like to say that there was a large support for the PD from the Albanian political forces, the right-centrist forces, the associations, and trade unions, thus confirming their unbending desire to continue to march and fight together to block the return of the former communists to power in Albania and to maintain the alternative we won together in 1992. This was undoubtedly support that has political importance for us.

[Terihati] What were the main points of the changes to your party's statute?

[Shehu] The goal of the changes to the statute was to bring it up to date and make it more compliant with the demands of the Christian Democratic Union and the European Democratic Union, in which the PD already takes part. This is related to the creation of new bodies of secretaries and other lower structures of the party, as well as to the desire to ensure the greater participation of women, for example 25 percent, at all the party's leading levels. However, it should be said that these are improvements that were made to our statute to make it correspond better with the demands of the institutions we, as a PD, participate.

[Terihati] You are facing the new elections. What will be the PD's strategy on the eve of these elections?

[Shehu] We also stressed at this congress that our party's strategy will be based on the foundation of democratic parties and their sections, i.e. activating thousands of our sympathizers and militants in holding extensive dialogues with the individual, small social groups, in every family or house, to explain what we have done, to explain our vision of the future. That is, our work will be based on the individual, as it is the free individual of Albania, already crystallized in the years of democracy, who, with his free vote, will undoubtedly vote for us again, as he voted in 1992, thus ensuring a victory for us at the same level as our victory in 1992.

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Czech Republic: Declaration With Germany Allegedly Completed

AU0504152696 Prague MLADA FRONTA DNES in Czech 5 Apr 96 pp 1-2

[Article by Michal Mocek and Lubos Palata: "The Czech-German Declaration Is Allegedly Completely Finished"]

[FBIS Translated Text] Prague—After a year of talks and at the cost of concessions on both sides, the Czech-German declaration that draws a line under the problems of the past has been completed. Nevertheless, both Prague and Bonn refuse to confirm this information officially.

According to several reliable sources, the German party will cease going back to the question of the property claims of the Sudeten Germans. The Czech Republic, for its part, will apologize for their wild removal. Some sources also claim that Prague will promise in the declaration to simplify the process of obtaining Czech citizenship for those Sudeten Germans who apply for it.

The Czech Foreign Ministry neither confirmed nor denied these reports. "The declaration has not been definitely completed. We feel a favorable shift and the will to reach an agreement," ministry spokesman Vit Kurfurst only said and refused to comment any further on the reports regarding the declaration.

"We beg your understanding if I do not make any detailed comments concerning your questions," German Foreign Ministry spokesman Martin Erdmann said, and added that Bonn hopes for a conclusion of the negotiations soon. He pointed out that the negotiations are conducted confidentially.

Other official sources also refused to confirm the information regarding the completion of the work on the declaration.

According to the draft text of the declaration, mutual relations will no longer be burdened by property claims of Sudeten Germans. Namely, Bonn promises not to question the results of World War II. By means of this formulation, Prague received the long-demanded "thick line" under the past.

The FRANKFURTER ALLGEMEINE ZEITUNG daily, which carried a report on the talks in its issue yesterday, wrote that the German Government refused to officially give up claims to the Sudeten German property. The solution contained in the declaration enables the Bonn cabinet to avoid court actions by Sudeten Germans concerning loss of property. The German Government has officially used this argument so far as the reason for refusing to close any property claims.

Several mutually independent sources reported that the Czech party agreed on the question of the expatriated Sudeten Germans to a moral condemnation of the wild removal of the Sudeten Germans per se, rather than only the violence accompanying it.

The period from May to August 1945 is described in the declaration as that of the wild removal. The Potsdam conference, the resolution of which is considered the legalization of the removal, ended at the beginning of August.

"Both parties are conducting a certain self-reflection," Czech Ambassador to Bonn Jiri Grusa observed in connection with these questions but refused to confirm that the text of the declaration is finished. "Although I have always been optimistic, now I am even more so," he later told German radio.

The fact that Bonn will not return to the past is also projected in the stipulation of the declaration, according to which the German party allegedly accepts the unchangeability of the results of World War II. This formulation should also apply to the results of the removal of the Sudeten Germans. According to the aforementioned sources, the declaration does not otherwise deal with the validity of the Potsdam conference, Benes's decrees, or the removal. Nevertheless, Bonn accepted the principal demand of the Czech side that the declaration must not interfere with Code of Law of the signatories. The declaration is to include a promise of simplification of the process of obtaining Czech citizenship for the Sudeten Germans.

In addition to these items, which have been controversial so far, the Czech and the German parties agreed already some time ago on future steps toward improving mutual relations. First of all, a foundation will be established for Czech victims of Nazism, a Czech-German discussion forum will be organized, and the youth exchange program will be intensified.

FRANKFURTER ALLGEMEINE ZEITUNG claims that the signing of the declaration will wait until after the elections and the conclusion of the Sudeten German Days in Munich.

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Czech Republic: Commentary Criticizes Policy Toward Russia

AU0504132296 Prague MLADA FRONTA DNES in Czech 3 Apr 96 p 12

[Commentary by Lubos Palata: "The Limited Nature of Our Policy Toward Russia"]

[FBIS Translated Text] Czech diplomacy's approach to Russia could, until quite recently, be characterized not only by the downright minimizing of relations with Moscow, but also by the dismissal of Russia in areas where it, at the same time, plays a substantial role. This is not, however, a divergence for Czech foreign policy, but a fundamental trait of its overall conception four years ago.

During his term in office, Josef Zieleniec has confined the Foreign Ministry's activities to two basic issues—the Czech Republic's integration into the European Union and the North Atlantic Alliance. At the same time, he has chosen an individualistic concept: The Czech Republic has to be the most active and the best prepared country and, thanks to this, it will, without cooperating with its fellow travelers, be the first Eastern European state to become a member of the EU and NATO.

Reality, however, soon altered this clear-cut approach when, virtually against his will, Zieleniec began to be active with regard to Germany and even renewed the torn fabric of cooperation with Poland. Russia's turn came right at the very end of the minister's current term of office.

Zieleniec recently offered Russia positive relations based on a concept of "let us not talk about NATO—we have culture and trade here." However, the minimalist concept toward the West's bargaining with Russia still survives in the Czech approach. Our diplomacy simply gives the impression that the result of these talks does not concern us, that we do not care what comes out of them.

The posture of a dead beetle, which Zieleniec has adopted in this matter and obviously does not intend to alter, is, at the same time, also harmful to the issue that, according to the minister, is of absolutely fundamental importance for the Czech Republic—our chance of membership in the North Atlantic Alliance. Our previously ostentatious noncooperation with Poland was similarly harmful.

The issue does not involve being more Catholic than the pope and putting forward certain fundamentally new concepts and ideas, but involves adopting some sort of stance toward the efforts to find a place for Russia in Europe or by its side. Namely, this matter is here, and it is impossible to act as we have until now, as if it simply does not exist.

It is the same with our policy toward the post-Soviet states. Its positive aspect is the active support of the autonomous and independent-of-Russia Ukraine, support that is beginning to return to us at least via Kiev's neutral stance toward the Czech Republic's membership in the alliance. On the other hand, as far as Belarus and its gradual amalgamation with the Russian Federation is concerned, we "understand" that such development will probably perturb our ally Poland, but we are making out that this does not concern us in principle. Minister Zieleniec, as usual, is silent on such matters.

Alternatively, the minister's extremely harsh censure of the Duma's declaration regarding the annulment of the agreements dissolving the USSR shows how inconsistent our policy toward Russia is.

The demands that we be more active than NATO states with regard to Moscow or that we offer the Kremlin individual concessions are not the reasons it is necessary to criticize our policy toward Russia. The issue involves making sure that we participate in this discussion and these activities and do so to an extent corresponding to our position. It involves making sure that we have an Eastern policy.

The slogan "He who does nothing, spoils nothing" does not apply in diplomacy. It would be satisfying if Josef Zieleniec, after having begun to implement an active policy toward Poland and Germany, would finally manage to understand fully that our diplomacy toward the post-Soviet states, which relates intrinsically to the issue of the alliance's enlargement, requires a similarly initiative course of action.

Czech Republic: Controversial Nuclear-Weapons Bill Proposed

96CH0063D Prague PRAGUE POST in English 27 Feb 96 p 2

[Article by Maggie Ledford Lawson: "Government Approves Bill Prohibiting Nuclear Arms"]

[FBIS Transcribed Text] The government has approved a bill banning nuclear weapons in the Czech Republic. The proposed ban runs counter to past statements by leading politicians that the republic wouldn't refuse NATO nuclear arms if it were admitted to the military alliance.

The language in the bill has raised questions about how it will affect future agreements between the Czech Republic and NATO, which has stated that joining

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the organization may involve the stationing of nuclear weapons on Czech soil.

The Foreign Ministry issued a statement saying that the law would have no effect on Czech admission to NATO and indicating that laws would be passed later to accommodate the requirements of the Western military alliance.

"The nuclear-weapons ban is smart from the point of view of domestic politics," said one foreign diplomat who did not want his name used. The typical Czech doesn't want nuclear weapons here, he said.

Parliamentary Deputy Ivan Masek of the Civic Democratic Alliance (ODA), which is a member of the ruling coalition, said he believes a weapons ban deserves careful scrutiny before it receives approval by parliament. "It has political and defense connotations" that should be considered in the context of security agreements existing between the Czech Republic and other nations, he said.

Such a law would contradict the positions put forth by both President Vaclav Havel and Prime Minister Vaclav Klaus, who both said, following negotiations with NATO in the fall of 1995, that, as a member of the organization, the Czech Republic would have to accept the possibility that nuclear weapons would be stationed here.

Klaus said that to refuse the weapons while still seeking membership in NATO would be like riding a tram without buying a ticket.

Czech Republic: Analysts Disagree About Koruna's Future

96CH0063H Prague PRAGUE POST in English 27 Feb 96 pp 5, 9

[Article by Dean Calbreath: "Currency Soothsayers' Predictions Can Create a Self-Fulfilling Prophecy"]

[FBIS Transcribed Text] As the Czech elections approach, financial analysts are less concerned with who's going to win than with what the winners are going to do with the crown.

But for all their highly touted analysis techniques, there is little consensus among the analysts. Will the crown be revalued or devalued? Will it strengthen or weaken? Will it even fluctuate at all? The answer all depends on whom you talk to.

Want an upbeat prediction on the crown? Then check out Komercni banka or the J.P. Morgan investment-banking firm, which both forecast moderate growth for the crown following the elections. Hedging your bets? Try Patria Finance or Ceskoslovenska obchodni banka (CSOB), which predict moderate fluctuations in the crown throughout the year.

Feeling pessimistic? Gain support from the Komero brokerage house or Investicni a postovni banka, which see devaluation brewing in the air—although nowhere near as drastically as the 20 percent devaluation prediction that got the Nomura Research Institute into trouble last month.

Indeed, Nomura is the one analysis team you can't get an opinion out of these days. "We no longer comment on the currency of the Czech Republic, at least not for the time being," says Nomura financial analyst Michael Friedlander, whose boss, Nomura International's European Chairman Hitoshi Tonomura, apologized to Prime Minister Vaclav Klaus for the out-on-a-limb forecast.

But despite wide divergence of opinion, what the analysts say seems extremely important to the value of the crown. Speculators who depend on these recommendations can drive the value of the crown up or down by their subsequent actions. In effect, a well-respected analysis can become a self-fulfilling prophecy if it can spark enough speculation in the currency.

The differences among the analysts generally have to do with their views of how the government will deal with the country's growing trade deficit. Nomura's forecast was based largely on three related factors: the Czech Republic's 1995 trade deficit, estimated at $1.3 billion; the failure of Czech industries to restructure in order to make exports more attractive; and a gradual 78 percent appreciation in the value of the crown over the past two years.

Nomura noted that the trade deficit in the Czech Republic is as deep in monetary terms as it had been in Hungary in October 1994, just before Budapest devalued the forint by 9 percent and instituted a "crawling-peg," or gradual, devaluation for most of 1995.

But Nomura shrugged off an important difference between the two deficits. In the Czech Republic, foreign debt stands at 77 percent of exports, while in Hungary it is 275 percent. Moreover, the Czech Republic is about to show its second budget surplus in two years, compared with a long-raging budget deficit, now more than 5 percent of the gross national product, in Hungary.

Besides, some analysts feel the trade imbalance is not bad, since it reflects growing economic activity. Komercni banka analyst Kamil Janacek notes that 35 percent of the country's imports are in machinery and technologies necessary for the restructuring process.

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Nomura, however, complained that Czech restructuring is growing too slowly. As evidence, it noted that the unemployment rate in the Czech Republic is just 3 percent compared with 10 percent in Hungary, because superfluous workers are still on the job. The high labor costs, it argues, could rob the country of its competitiveness meaning that devaluation would be the only way to make Czech exports cheaper.

But Czech National Bank (CNB) spokesman Martin Svehla says the high employment level is an argument against devaluation. Governments often devalue currencies to spur exports in order to help job growth. But in the Czech Republic, there are "no idle capacities in our economy that devaluation could rapidly mobilize," Svehla says.

Nomura's final argument was that the crown has appreciated in value so much over the past five years that it's time for a correction. Since 1991, the purchasing price of the crown has risen 78 percent against the dollar, faster than any other Central European currency. But some economists say that the growth rate, fed by inflation, has been gradual enough to prevent the revaluations that would have been necessary otherwise.

"With the present inflation rate in the Czech Republic, there is a continuing revaluation, the creeping revaluation, which is the most sensible policy to have," Richard Jackman, a former World Bank economic advisor for Central and Eastern Europe at the beginning of the 1990s, told Czech news agency CTK last month.

Interestingly, little more than a year ago, Nomura itself was predicting a revaluation instead of a devaluation, joining a chorus of analysts that sparked a rush of investment in the Czech Republic.

On the strength of such forecasts, Western speculators felt they could make bundles of money by buying up Czech crowns and then cashing them in after a revaluation. As a result, between June 30, 1994, and June 30, 1995, the net flow of foreign currency into the Czech Republic grew from $713 million to $1.6 billion.

"When Nomura, one of the world's largest financial institutions, said something, of course investors were influenced, although the fact that there were so many people influenced signifies that Nomura wasn't the only bank making such a prediction," says Martin Kupka, a financial analyst with Patria Finance in Prague, who previously worked on the Nomura analysis team.

This leads to the Nomura revaluation prediction. By encouraging a massive inflow of foreign money into the market, Nomura and like-minded analysts could have sparked a self-fulfilling phophecy, since the rapid influx of speculative money could have led to a revaluation of the currency.

Unfortunately for the speculators, Nomura's revaluation predictions were wrong. The CNB kept the crown pegged exactly where it was. The speculators didn't lose money, but they didn't make the big killing they were expecting.

Similarly, if speculators chose to believe Nomura today, they would pull their money out of the country right now, which could hasten a devaluation. In its recent analysis of the Czech crown, Dresdner Bank noted that the economic problems in the growth of the deficit are balanced off against the threat of inflation caused by foreign capital coming into the country. If that flow stops, the arguments against devaluation will be weaker.

But many analysts believe that neither devaluation nor revaluation of the crown will be necessary in the short term. Instead, they predict that the band within which the currency is allowed to fluctuate will be widened after the elections, staving off more drastic changes.

How wide the band will be and what the impact will be, however, are still matters of debate among the analysts, leading observers to scratch their heads in confusion.

"We have become too accustomed to taking seriously analyses and prognoses from the West relating to our country," the popular Czech daily BLESK commented late last month. Considering the wide divergences of opinion, maybe BLESK is right.

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Slovakia: Ethnic Hungarian Leader Views Treaty Issue

AU0504141096 Budapest NEPSZAVA in Hungarian 5 Apr 96 pp 1, 9

[Telephone interview with Bela Bugar, chairman of the Hungarian Christian Democratic Movement in Slovakia, by Ferenc Kepecs; place and date not given: "The Hungarians in Slovakia Only Want the Basic Treaty—Bela Bugar's Interview on Bratislava's Attitude"]

[FBIS Translated Text] *If the Slovaks wish to hand over the basic treaty together with the addendum they accepted, then the Hungarian side might not accept it. This is contained in our foreign affairs leaders' statements. However, what can be expected from the Slovak side in this case? We interviewed Bela Bugar, chairman of the Hungarian Christian Democratic Movement in Slovakia, on this issue.*

[Bugar] I feel that the Bratislava government coalition and the Parliament would react rather severely to this; it would see it as a sign that the Hungarian side does not want conciliation. At the same time, I cannot imagine that the Slovak side would hand over a document in which only the fact of ratification can be read. I think that they will attach their addenda to it and a new situation will be created if the Hungarian side refuses to accept this. In this situation, both the Hungarian Government and the Hungarian coalition in Slovakia would have to assess many factors.

[Kepecs] Would the possible failure of the basic treaty have a negative effect on the Hungarian minority in Slovakia?

[Bugar] The Bratislava government's measures have had a negative effect on the Hungarian minority in Slovakia, for example, the laws regulating the usage of language and the administrative boundaries. The latter law does not grant us rights that we previously had, it splits and divides us, and it creates a situation in which we can even be pushed out of Parliament through a change in the electoral law. The amendment of the Penal Code is also one of these measures. Through its laws the Slovak side has limited the basic treaty and made it almost impossible to implement it. It got to the point that the implementation of the Hungarian autonomy efforts has become completely impossible. Be it Recommendation No. 1201, or the rights we had before 1989, namely the right to culture and education, and that we could be present in state administration, even if not according to our proportion in the population, well, some of these rights are being taken away from us. Well, this is what has a really negative effect on the Hungarians in Slovakia.

[Kepecs] Is it not possible that the failure of the basic treaty would further worsen the situation?

[Bugar] You must understand that we are dealing with a government that does not think in a democratic way. The Slovak Constitution states that when an international document, which has also been accepted by the Slovak Government, gives more rights to a minority than the Slovak laws do, then the international document has priority. However, the government does not act according to this, instead, it starts to interpret the international documents in such a way as even to reduce our existing rights. To the outside, the Slovak Government keeps showing a European face, but it acts in a completely different way domestically.

[Kepecs] Does this mean that the situation of the Hungarians is so bad that even the failure of the basic treaty cannot worsen it?

[Bugar] I would rather say that the situation of the Hungarians in Slovakia does not depend primarily on the basic treaty. The eighth general meeting of the Hungarian Christian Democratic Movement held on 30 March authorized the party's leadership to take the basic treaty as a basis in their activities. This treaty would be good for us, but only without Bratislava's restrictions. It would be in vain for us to refer to it if they do not take it into consideration because of the limitations.

[Kepecs] Let me ask you about something else. Arpad Zolyomi Duka, deputy chairman of the Coexistence, said that the Hungarian coalition has written a letter to Hungarian Prime Minister Gyula Horn in connection with the amendment of the Penal Code and the territorial reform. Can you tell us what exactly is in the letter?

[Bugar] To be honest, I find it unfortunate that our coalition partner made the issue of the letter public. I do not feel that the addressee should be informed about the arrival of a letter through the press. Therefore, I do not wish to talk about its content, either.

[Kepecs] According to this, Duka had a different view.

[Bugar] Political mistakes are sometimes also made in the coalition. I do not think he should have made the issue public. He presumably did not think about the consequences.

Slovakia: Ex-Foreign Minister on Basic Treaty Controversy

AU0404163996 Budapest NEPSZABADSAG in Hungarian 4 Apr 96 p 3

[Interview with Eduard Kukan, Slovak foreign minister in the Moravcik cabinet and currently deputy chairman of the Party of Democratic Union, by Gyorgy Jozsef

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Farkas in Bratislava; date not given: "The Addenda Are Not Part of the Treaty"]

[FBIS Translated Text] [Farkas] In your view, is it possible that the problems connected with the basic treaty originated from the short period of preparations?

[Kukan] I do not agree with this view. It is a fact that the treaty is very important, I could even say it is something of historic importance, and there was plenty of time to prepare it. Negotiations already started following Gyula Horn's visit in Bratislava in August 1994, under my direction. Our people prepared our text proposal, and we had even absolved two meetings of experts with the Hungarian side before Meciar's government took office. So the two sides had eight months at their disposal from August 1994 to the signing of the treaty in Paris, although eight days are sufficient to create such a document if there is mutual will to do so. However, I do not deny the fact that, connecting this to a specific date (19 March in our case) does not contribute to a satisfactory resolution of the debates.

[Farkas] The so-called interpretation supplements are currently the issues being debated. What is your opinion about this?

[Kukan] They only affect the Slovak side, and they cannot be regarded as parts of the basic treaty. I must categorically declare that, legally, this is the situation, and the Slovak note presented before the signing in Paris does not change anything either. The treaty is what the two prime ministers signed in Paris. And there is not a single word about any addenda or supplementary document in that text. I agree with Gyula Horn who jokingly noted that the Slovak parliament could have added the strapachka [Slovak national food] recipe or even the weather forecast as well; all this does not change anything on the treaty. Of course, the parliament can suggest methods of implementing this document to its own government, but this is Slovakia's internal affair.

[Farkas] Former CSSR ambassador in Budapest, Rudolf Chmel, recently declared that the situation of ethnic Hungarians in Slovakia is the key of the treaty. In your view, does the government indeed intend to ease the tensions in this area, or does it need some kind of a potential scapegoat?

[Kukan] I agree that this is the key to the emergence of calm and stable conditions in Slovakia. However, I would not dare categorically declare that the government does not want this, and I would also add that all this does not exclusively depend on the government's intentions. It takes two to tango, so the political parties of the ethnic Hungarians in Slovakia should also signal their readiness to solve the problems. It seems sometimes that both the government and Hungarian deputies in Parliament are satisfied with the prevailing situation. If they succeeded in fully solving this problem, the Hungarian parties would lose their justification and condition of existence.

[Farkas] During the Moravcik cabinet, these Hungarian parties supported you from the outside. Could you envisage a similar electoral or even government-level cooperation with them in the future?

[Kukan] Yes, I could. We cooperated in a correct manner when we were in power, and we gathered mutually useful experience. Now, every sign indeed shows that the Meciar government is seriously considering legislating a new election law. If they succeed in doing that, the opposition will definitely have to join forces to achieve results in voting. In the course of setting up an electoral bloc, the conditions are given for the Hungarian parties to also participate in such a cooperation. At the moment, all this is only speculation, but we must think about this, because the situation definitely requires this.

Slovakia: Constitutional Court Orders Revision of Two Laws

AU0504151296 Bratislava PRAVDA in Slovak 4 Apr 96 p 2

[Article by Jan Dulin: "Constitutional Court of the Slovak Republic: Same Proprietary Rights Without Preferential Rights for the State"]

[FBIS Translated Excerpt] Kosice—At a two-day plenary session on Tuesday and Wednesday [2-3 April], the Constitutional Court of the Slovak Republic discussed three submissions by groups of National Council of the Slovak Republic [NRSR] deputies concerning incompatibility of laws with the Constitution of the Slovak Republic. All three submissions concerned proprietary rights and their enforcement. In all three cases, the Constitutional Court found provisions of these laws incompatible with the Constitution of the Slovak Republic and, in two cases, it also ruled on incompatibility with the Charter of Basic Rights and Freedoms. [passage omitted]

The second case concerned the defense of communities' ownership rights to forests in the Javorina military training compound. The Constitutional Court ruled that Article 16, section 3, first sentence of section 4 of Article 16, and the entire Article 17 of NRSR Law No. 14/1995 are incompatible with four sections of Articles 12, 13, and 20 of the Constitution of the Slovak Republic, while the law in its entirety is not unconstitutional. The application of Article 17 was even characterized by the Court as a severe

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encroachment upon communities' ownership. The ruling by the Constitutional Court does not rule out the continued conclusion of exchange contracts [for real estate], but solely on the basis of voluntariness and without the threat of sanctions. [passage omitted]

In an interview for PRAVDA, Engineer Otto Dovjak, mayor of Lubice, who was the communities' spokesman before the Court, characterized the decision by the Constitutional Court of the Slovak Republic as a victory for law and guarantee of legal security.

In the third case, the public hearing took place without a representative of the opponent, that is, the NRSR, after [Movement for a Democratic Slovakia] Deputy Macuska asked to be excused for health reasons. A group of deputies proposed that some provisions of NRSR Law No. 80/1995 On Some Measures To Settle Land Ownership be declared incompatible with the Constitution. This concerned, in particular, provisions limiting the fragmentation of some real estate outside the communities' built-up territory. The deputies objected that the law does not specify wherein the proclaimed public interest [in preventing the fragmentation of real estate] lies. In a written statement by the NRSR, however, NRSR Chairman Ivan Gasparovic argued that the aim of these provisions was to create conditions for the functioning of agricultural and forestry production. In this case, the Constitutional Court acknowledged the existence of public interest and, according to its ruling, provisions of the law that prevent the fragmentation of pieces of land and forests, including acreages set out in the law, do not run counter to the Constitution. In two instances, however, the Court did ascertain incompatibility—in Article 23, Sections 3, 5, 6, and in Article 28, which lays down the law's retroactive effect. These two articles were also found to be incompatible with provisions of the Charter of Basic Rights and Freedoms. This means that the preferment of the state in assuming ownership of real estate is anticonstitutional because it curtails the rights of other owners.

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Hungary: EU's Santer Stresses Minority Rights

LD0504203896 Budapest Duna TV in Hungarian 1900 GMT 5 Apr 96

[FBIS Translated Excerpt] Hungarian and foreign politicians wonder every day when and how the East and Central European countries can join the EU. Thus the visit of the EU's first man [Jacques Santer, European Commission president] was awaited with interest in Budapest.

[Begin recording] [[Unidentified correspondent] [Passage omitted] In his discussions with the president, Jacques Santer stated that the EU supports Hungary's neighborhood policy and its efforts in the interest of the Hungarian minorities living beyond the borders. The politician stressed that the European Commission will take into consideration the granting of human and minority rights when assessing the readiness for integration of the countries wishing to join.

[Santer, in French fading to superimposed Hungarian translation] The Hungarian-Slovak basic treaty was signed a year ago. I hope that now, after the Slovak parliament ratified the document, its contents will soon become tangible reality. I believe that Slovakia, Hungary, and Romania, if they want to join the EU, must settle the issue of the minorities living in their countries in a spirit of understanding and good neighborliness, in the true sense of the word.

[Correspondent] Prime Minister Gyula Horn welcomed the EU's decision in Madrid, according to which after the end of the Intergovernmental Conference accession talks will begin for the Eastern and Central European countries, Malta, and Cyprus at the same time.

[Horn] This is extremely important also from the point of view of our future development, and the further influx of foreign capital. During the talks, we stressed that we want a differentiated approach to the associate countries, on the basis of performance. That is, we want the EU to decide on the beginning of accession talks and on admission on the basis of this differentiated approach, based on the performance which the countries can show for themselves. [end recording] [passage omitted]

Hungary: Opinion Poll on Slovak Treaty Addendum

AU0504145696 Budapest MAGYAR HIRLAP in Hungarian 5 Apr 96 p 3

[Unattributed report: "Public Opinion on the Hungarian-Slovak Basic Treaty—Minority Interests Are Not So Important"]

[FBIS Translated Text] The Hungarian Government should turn to international forums regarding the Hungarian-Slovak basic treaty. This opinion is reflected by the national public opinion poll that was carried out for MAGYAR HIRLAP by TeleDirect among telephone subscribers on the Slovak addendum to the bilateral basic treaty.

A rather major lack of interest could be seen because only 55 percent of the 807 people questioned were informed about the Bratislava governments' decision.

First of all, it was asked what measures the Hungarian Government should take in the current situation. The proportion of those who suggested the most radical step, namely canceling the treaty, was small (8 percent), most replies (50 percent) said that we should seek mediation by international forums, while 27 percent of the people believed that no further measures are needed as the addendum is not part of the treaty, therefore, we need not care about its effects. Some 15 percent of the respondents could not or did not want to take a stance. Mostly young people and residents of small towns supported one of the [illegible] solutions, twice as many young people as the [illegible]ge were among the supporters of the most radical step. Middle-aged and elderly people showed the least amount of concern about the situation, more precisely, one-third of them did not find any further steps necessary.

The people questioned were pessimistic about the effect of the basic treaty on the situation of the Hungarian minority in Slovakia, only 15 percent expect an improvement, 21 percent a deterioration, and most of them—47 percent—believe that the document will not bring a noticeable change in the life of the Hungarians in Slovakia.

Comparing the answers with the results of the survey one year ago, when the treaty was signed, it can be seen that the proportion of optimistic people has decreased, while the proportion of those who expect a deterioration but at least no change in the situation has increased.

The last question of the survey asked what considerations should play the most important role in our relations with the neighboring countries. Most (59 percent) of those who are at least minimally informed on foreign policy issues believe that peaceful coexistence is the most important factor, and only 19 percent placed the interests of the Hungarian minority before all else. Some 11 percent of the replies emphasized the primary importance of our European integration efforts, and our economic interests were quoted in a few cases (2 percent). More women than men could be found among the supporters of peace.

People with higher degrees tended to emphasize minority interests and integration than did those living in small towns. While Budapest residents tended to see the

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aspects of European integration as important, peace was more important for village residents.

Hungary: MDF Official Says Condition of Army 'Tragic'

AU0504142996 Budapest REFORM in Hungarian 2 Apr 96 p 29

[Interview with Jeno Poda, parliamentary deputy of the Hungarian Democratic Forum and member of the Parliament's Defense Committee, by Jozsef Balint; place and date not given: "Poda Speech on Army Crisis"]

[FBIS Translated Text] Unlike the defense minister, opposition deputies claim that the Hungarian Army is in a serious crisis. Jeno Poda, parliamentary deputy of the Hungarian Democratic Forum [MDF] and member of the Parliament's Defense Committee, regards both the personnel and technical conditions of the Hungarian Army as tragic.

[Balint] Many people claim that the reports and political debates primarily deal with NATO issues, the presence of IFOR [Implementation Force] troops in Taszar, or the role played by Hungarian troops in Bosnia.

[Poda] It seems that, in the course of political debates, we tend to forget the problems of professional soldiers serving at home, their families, and the problems of units stationed far from the capital. Defense Minister Gyorgy Keleti declared recently that we must create a smaller but more efficient army, and the army leadership is subordinating all its activity to this goal. Nine months have passed since then, and we can conclude that our army will indeed be smaller but, consequently, it will be less efficient. An army's combat readiness is basically determined by two things: One is connected with personnel conditions, and the second is technical in its character. Taking all this into consideration, it is clear that the Hungarian Army has gotten into a very serious crisis.

[Balint] You mentioned two factors. Do you think that none of these is satisfactory at the moment?

[Poda] The promised changes connected with the army personnel have created a very serious situation. Contrary to the previous promises of the head of the relevant ministry, namely when he claimed that they would not dismiss any professional soldier, several thousand soldiers are being dismissed, and well-trained officers at that. We are talking about talented soldiers who can convert their knowledge in the civilian sphere. In addition to dismissals, they are also trying to force officers to take up the job of warrant officers, something that is unacceptable for them both financially and morally. Along with this, secretaries are incorporated into the army and given the rank of sergeant or company sergeant major only to fulfill the wrongly interpreted NATO regulation that stipulates the distribution of ranks within an army. The process of personnel reduction is now going on at such a level that the commanders have been ordered to Budapest in order to inform them of the percentage of personnel they have to dismiss. This mainly affects the combat troops, and this is something that makes necessary a pause for thought. The army spends more than half of the Defense Ministry budget in the capital city, while most tactical units are deployed in the provinces. It is astonishing that the most dangerous zones, like Southern Hungary, are demilitarized.

[Balint] We have learned that the soldiers' trade union wrote letters to some parliamentary deputies and Defense Committee members. What was the content of these letters?

[Poda] Among other things, these letters informed us that more than 1,000 officers and warrant officers left the army in December alone, because of the well-known conditions. This is an alarming figure. They also condemned the considerable reduction in personnel in units deployed in the provinces and in combat units. They also see this as if the leadership wanted to make the Hungarian Army incapable of combat. There are hardly any available officers for units. The soldiers find it extraordinary that there are more officer positions at the military security and intelligence office than in the land troops. Such figures characterize the reorganization envisaged by the Defense Ministry.

[Balint] The defense minister promised to counterbalance the reduction in personnel with technology. How is this change in focus advancing?

[Poda] The defense ministry tried to explain this by claiming that, with the purchase of new military technology, a reduced army will be more efficient than the previous one. For the time being, however, there is no talk of new weapons at all, but the drastic reductions in personnel are advancing well. Negotiations are under way but, so far, we have not received any new technology from abroad. They accuse the previous government of eliminating the Eastern markets. Well, at that time, we succeeded in purchasing more combat aircraft in exchange for the Russian debt. Today, however, we import nothing but oil and combine harvesters in exchange for this debt. As for the purchase of radar, air-defense missiles, and combat aircraft, this will become topical sometime around the year 2000. On the basis of the aforementioned facts, one can hardly question the drop in Hungary's defense capability. It seems as if all this happened on purpose.

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Hungary: Article Analyzes MSZP's Personnel Policy

AU0504185796 Budapest HETI VILAGGAZDASAG in Hungarian 6 Apr 96 pp 103-104

[Article by Florian Mezes: "Renewal of Officers in the MSZP in 1996—Comrades in Language"]

[FBIS Translated Text] Processes that were started years ago can be perceived in the background of the seeming uneventfulness of the Hungarian Socialist Party's [MSZP] fifth congress, where the party officers were renewed. The replacements in the party's executive committee only confirmed that the MSZP wishes to launch the preparations for the parliamentary elections, due in two years, with senior leaders who have been working as paid politicians for years or decades.

At last weekend's congress, where the officials were renewed, the MSZP was turned into a party led by professional apparatchiks once and forever. Although seven of the executive committee's former 19 members—also including the chairman of the national committee—did not now get a position and the now 15-member executive committee has five new members, the MSZP has mainly become stronger in state-party and party-state apparatus experience. Privatization Minister Tamas Suchman's miniscandal can be seen as an—although only dim—reflection of this: Not having received enough votes to get into the executive committee, the government member who entered politics from the world of financial institutions announced that he would now also leave the party. Already at the press conference after the congress, Gyula Horn said that he still expected Suchman to remain minister because "he had professionally proved himself." However, this does not change the fact that fewer Socialist politicians without any appratchik experience are now members of the executive committee than before.

Until 31 March, four people—Ferenc Kosa, Jozsef Simon, Mrs. Ildiko Kerekgyarto Varga, and National Committee Chairman Ivan Vitanyi—were still in the MSZP's party leadership who had never been employed by the state party (Hungarian Socialist Workers' Party, Hungarian Communist Youth League, or trade unions) or the party state (ministerial or local council) apparatuses. Of the four, only Kosa and Mrs. Varga are members of the new party leadership, and all of the five new members—Mrs. Magda Kovacs Kosa (executive deputy chairperson), Bela Katona (deputy chairman), Zoltan Gal, Gyorgy Keleti, and Pal Kovacs (members of the Executive Committee)—have ample professional politician experience from before 1990 (and Ferenc Baja, who replaced Vitanyi, has a little). This means that, sharing out the total number of years, each party leadership member has some 11 years of apparatchik experience—out of the average 22 years spent somewhere in employment—but the new members who are older than the average can each show 14 years of such experience. As a matter of fact, all this is in harmony with the Socialists' slogan displayed on a poster at the congress—"Consistent Governing"—for which, naturally, experienced "governors" are needed.

How suitable the knowledge and experience from before 1990 are and to what extent they can be used for governing in the current conditions is a different matter. Ferenc Fejto, political scientist [living in France], must also have doubts about this. On 31 March, on Duna Television, he said that, in his view, the Hungarian Socialists with state party past have already accepted "in their brains" that they have to be social democrats, but their conditioning still tells of something else. For example, it tells of what markedly distinguishes the current governing party (parties) from those ruling in the previous parliamentary cycle. At that time, the government and its parties wanted to get social support mainly through creating a sense of ideological community, appealing to the nation and the common past, and trusting the social unifying force of opposition to the communist dictatorship. The MSZP and its government and government head are certainly more pragmatic in their search for support.

At the Socialists' congress, Gyula Horn, party chairman and prime minister, tried not to forget to mention anyone—any social stratum that can be a significant voting basis—when he talked about the way the government wishes to improve the living conditions. "We must call all forces to the MSZP who want to do something for the country and who accept our values: the workers, farmers, scientists, artists, entrepreneurs and employees, men and women, and young and old people"—he showed the way ahead to the Socialists, but as government (head) he also wishes to do something for all these people who are to be called into the party. For example, he suggested to the Socialists that "this congress should be an initiator of a movement in which the left-wing local governments, the MSZP organizations, the various civic organizations, citizens' communities, and the individuals take responsibility for the fate of a talented young person" because, he said as to events leading to it, "everything that is happening in Hungary mainly serves the interests of young people." The government, "in agreement with the president of the republic and the chairman of parliament... is doing all it can to improve the situation of creative artists" too, and in the interest of this, Horn said, it will have the new National Theater built and other art establishments set up, and it will

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restore the "bestowal of merited and eminent artist, and poet and writer laureate."

In addition to pragmatically—we could say, in a made-to-measure way—addressing everyone, the prime minister did not fail to talk about no less "tangible" but more general measures to improve the living conditions or rather the public mood on this occasion. As it could be expected, for example, he announced that the government wishes to reduce the highest tax key in 1997, that "last year's drastic reduction of real wages will not be repeated in 1996," and that "the 1996 wages will, at the most, be 2 percent behind inflation in branches coming under the budget sphere."

From the genuine pragmatist-populist rhetoric, one can sense the conditioning of the late Kadar era, and also from his saying that "democracy cannot exist without the moral code of the left wing, the MSZP, and public affairs, and without individual and community happiness and solidarity." Just as it was possible to attribute a similar approach to the MDF-led first freely elected government's messianism, anxiety for the nation, namely "democracy cannot exist without the MDF," the current Horn phrase cannot be explained any other way but with "greetings" from the party state because the claim that democracy cannot exist without the MSZP does not at all fit into the pragmatist approach.

Regardless of conditioning or rhetoric, sociological arguments other than the secure living conditions of the Kadar era, which were also mentioned by Horn at the MSZP congress, also call for the MSZP's practice of using politicians with great apparatus experience to hallmark its leadership. One reason is that, in the more than 40 years of the party state, the "professional party worker" became deeply ingrained in the population's social-structure consciousness, and those who pursued this "occupation"—and their activities—became a part of everyday life. The methods and knowledge of creating contacts, which were necessary for the single-center society and interest representation running at the same time along many strands, which evolved by the last period of the more than 40 years before 1990, were probably more important. In addition to the apparatus members, these methods and knowledge were also learned by their "social partners," starting from the lower, middle, and higher level company leaders who were brought up on these methods, and ending with those working in the sciences. Naturally, those people who sooner or later became domestic enemies of the power—which means that they were not able to use these methods—are also familiar with applying these methods and also "understand this language."

The question is whether this "commonness of language" will again be enough for another election victory if the drawing up and launching of the reform of state administration and the implementation of stabilization—which are actually said to be "rather important" by all economic experts and politicians—remain the politically successful propaganda, a permanent phrase at the rostrum. The only sure thing is that, at the most, the Socialists will only hold another congress that will renew the officials on the eve of the 1998 parliamentary elections, which means that, according to their plans, the newly elected leadership will lead the MSZP to success or failure.

Hungary: Former Official Views 1996 Economic Performance

96CH0047C Budapest DEMOKRATA in Hungarian 18 Jan 96 pp 34-37

[Interview with Gyorgy Minarik, former APUSZ honorary president, by Karoly Banhidai and Sandor Szarka; place and date not given: "Hungary Worse Off Than Mexico"]

[FBIS Translated Text] *"Actually, we will be 'finished' when privatization is complete. There is a simple mathematical relationship between privatization and financial ruin: It is impossible to privatize in a bankrupt country; thus, until privatization is finished, the appearance must be upheld that Hungary is creditworthy, but afterwards the show is no longer necessary. In my opinion, in the second half of 1996, financial collapse, a state bankruptcy, is inevitable. I told this to a friend of mine who works in the Finance Ministry, and not only was he not surprised, but he told me that a Finance Ministry team came to the same conclusion, but this information must not become public," Gyorgy Minarik, former honorary APUSZ [State Finance Office] president, told DEMOKRATA.*

[DEMOKRATA] You said that you would only talk to us if we were not connected with the Alliance of Free Democrats [SZDSZ]. Why is this so important to you?

[Minarik] As president of APUSZ, until 1994 I had good experiences with journalists. However, after the Socialist-Liberal government came into power, we noticed that the papers and the media were increasingly under a single authority. We had no opportunity to speak out, and not a single article could be published in the past year and a half which would be critical of the current government and its economic and financial policies. Journalists with whom I had personal contact told me openly that their superiors did not allow the publication of critical articles. "Censorship" is at work again, only the center which every left-liberal editor in

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chief hearkens to, even though it gives no direct orders, is no longer in the White House, the former party headquarters of the Hungarian Socialist Workers Party [MSZMP], but in Merleg Street.

[DEMOKRATA] In other words, you agree with those who say that the press, the media, returned into the service of the powers that be.

[Minarik] Actually, yes, adding that something did happen, but I don't know what to call it. In reality, my experience is that the society of journalists, with some honorable exceptions, closed ranks behind the Hungarian Socialist Party [MSZP] and the SZDSZ, and unconditionally and uncritically supports the government's policies.

[DEMOKRATA] Perhaps this is one reason why UJ MAGYARORSZAG published your statement, in which you spoke of a fact, completely suppressed by the media and the press, that a complete financial collapse can be expected in Hungary as early as this year. We wrote about this several times in DEMOKRATA, as well, but the 1996 date seems too near. How do you support this assumption?

[Minarik] Unfortunately, the collapse is this close, and each measure of the Bokros-type package will bring it only closer. Currently, we are in the midst of a deceitful show, sincerity is lacking in the country, not a single fact or conclusion can be verified, and people are being led by the nose. The Hungarian National Bank, still in the times of Akos Peter Bod, prepared an excellent analysis in which it determined which expectations of the World Bank can make a country creditworthy, that is to say, the relationship of the national income to the yearly exports and the yearly interest. Based on this report, at the end of last year I also analyzed the latest economic data, and I found that in these indices we have already reached a critical level. The World Bank's statements also show that Hungary is a country seriously in debt, but they add that it has not yet reached financial infeasibility.

[DEMOKRATA] But it can occur in the second half of the year....

[Minarik] In fact, we will be "finished" when privatization is complete. Now that this process has been accelerated, the sale of a considerable portion of the state's property has already occurred, and hardly anything will be left for 1997. And there is a simple mathematical relationship between privatization and financial ruin: It is impossible to carry out privatization in a bankrupt country; thus, until privatization is completed, the appearance must be upheld that Hungary is creditworthy, but afterwards, the show is no longer necessary. When I came to this conclusion, I visited a friend of mine who works in the Finance Ministry—even there, not everyone accepts the present situation—and told him that, in my opinion, in the second half of 1996, a financial collapse, a state bankruptcy was inevitable. He was not surprised, he even said that a team at the Finance Ministry, having complete information and using the means of technology, came to the same conclusion in their analysis, but this information must not become public.

[DEMOKRATA] Some people, though, think that the sooner this collapse occurs, the better.

[Minarik] This is a very difficult question, because if it was publicized too much, this would hasten the collapse and the impoverishment of the population, and panic is never useful. Still, if the pace of the collapse were accelerated, it would have the advantage that some property would still remain in the state's possession.

[DEMOKRATA] According to the government, privatization income will enable us to avoid the collapse. Can this be true?

[Minarik] It is only a dream that privatization income can reduce the foreign debt. That is to say, compared to the debt these sums are only crumbs; they are not even enough to stop the growth of the interest.

[DEMOKRATA] Not even foreign currency reserves can save the country from financial catastrophe?

[Minarik] No, because the foreign currency reserves are surrounded by deception and fraud, as well. Almost half of these reserves are actually savings by the population in foreign currency. It is unprecedented insolence that these savings are talked about in some circles almost as if they belonged to the state, and only through payments and withdrawals is the appearance maintained that they belong to the population. Similarly, there is a constant subterfuge in the relationship between the gross and the net debt, because, as they proudly say, the net debt has not been increasing for years. True, but the difference between the two is composed of, on the one hand, the foreign currency reserves of the population, and on the other, debts by places like Vietnam, the Soviet Union, and other hidden corners of the earth, and we can be glad to get a quarter of them back.

[DEMOKRATA] In other words, Hungary's creditworthiness is upheld by certain interest groups until the privatization is completed. But who are they?

[Minarik] In the first place, the international banking community, which certainly does not help in getting out of trouble. By now it has become known that the countries in which the direction of the economy was taken over by the IMF and the World Bank have without exception gone bankrupt. This is what we can

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experience in Hungary as well; they want to colonialize us again. The most developed countries of the world were always able to advance most when dependent semicolonies having few ambitions and paying very low wages appeared on the scene. Until recently, these countries came from the South Asia region. However, by now, in South Korea, Taiwan, and Singapore, there is a strong growth in production, living standards, and wages. Thus, the hyenas of the world need new regions where the wages kept at deprivation level can result in superprofit.

[DEMOKRATA] Who are the Hungarian supporters of this process?

[Minarik] The domestic banking community, which completely caters to foreign interests. The politicians are less conscious supporters of it, because the majority of them do not understand the economy, and they accept the bankers' opinions without listening to others. Unfortunately, in connection with the debt, the possibility of choice does not even arise; no one in the government talks about refinancing or repudiation. Of course, such a step can also have unpleasant consequences, still, it would result in much more bearable circumstances than this silent, determined march into indentured labor.

[DEMOKRATA] They say that refinancing would plunge us into greater poverty than the present one, and inflation would grow faster....

[Minarik] Temporarily, we could sink into greater poverty, but at least we would see the end of the tunnel. Incidentally, I have not yet heard from any economic leader, other than in general terms, on what the horrible consequences would be which forbids one to even whisper about refinancing.

[DEMOKRATA] What can motivate bankers to assist in this antinational process?

[Minarik] They are at the top of the power structure, and all of this is also financially rewarding for them. As the president of the Central European International Bank, Gyorgy Suranyi made 1.8 million forints [Ft] a month. When the issue of a moratorium concerning the debt was raised in a confidential conversation, he replied that if this question came up in earnest in Hungary, he would immediately leave the country, because he could earn this kind of money elsewhere, as well.

[DEMOKRATA] Since not everyone makes as much money as the current president of the Hungarian National Bank, what do you think the financial collapse would mean for the average citizen?

[Minarik] The forint would lose its value within weeks, as I experienced it once already in 1946. At that time, the population worked for two years actually without pay. This is how they produced the financial basis of recovery for the economy burdened by the war, reparation payments, and debts. Thanks to the trade unions at the time, the weekly wages of a worker equaled the price of one kilogram of lard.

[DEMOKRATA] If we understand correctly, the situation is even worse now than in 1946. Then, at least, the workers worked for the Hungarian state, and what they produced stayed here. Nowadays through privatization many means of production became foreign property, that is to say, only the investing foreign capitalist will profit from the efforts. After the assumed financial collapse, will two years be enough, as they were after the war?

[Minarik] I am not sure that it will be enough, because nine out of ten foreigners do not want to stay here on a long-term basis to create jobs and introduce modern technology, or if they do so, they do it only to achieve greater personal gain. Ninety percent of foreign investors would like to see a return of their investment as soon as possible. Or, what is even more detrimental, once they have majority interest in the company, they stop production, increase unemployment, and create a greater market share for their own products. As a consequence, as we have experienced especially in the last year and a half, they increase prices without good reason. As an example I can mention Primagaz, where as soon as the foreign buyer bought the company, he raised the price of bottled gas from Ft295 to Ft495. By adding the thus created Ft200 surplus to the sales, his investment was returned within one year from the superprofit. Moreover, the Hungarian Government is a good partner of the foreigners in this game, because through the price increase it will have additional tax revenue. The government is ostensibly not disturbed by the fact that the price of such privatization is paid by the Hungarian population.

[DEMOKRATA] The devaluation of the money would also result in the melting of savings accounts. In the end, the bankers, too, would get their just deserts....

[Minarik] Hardly. Successful businessmen already keep their money in foreign accounts in foreign currency, or in their safes. The Ft1,500 billion which is comprised of the population's savings in Hungary is put together mostly by modest people, and consists of hard-earned money saved for funerals, weddings, and other such events. In case of a financial collapse, treasury bonds and securities would be worth nothing, just as in 1946.

[DEMOKRATA] What can the solution be?

[Minarik] Radical treatment is necessary. Society's tolerance could be much greater than currently if

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the idea of proportional taxation was taken seriously. However, current Hungarian reality is far from this principle. In general, the difference between the income of the richest and the poorest 10 percent of the country shows how just a society is. In Sweden, for instance, this index is five, but 10 can still be considered good. In Hungary this index is 27, but, in my opinion, it is even greater than that, at least 40, because people who enjoy the fruits of the shadow economy are also in the so-called upper 10 percent. Thus, one can hardly speak of a social contract.

[DEMOKRATA] Do you see a political force in Hungary which would undertake the radical treatment of these problems?

[Minarik] There is no such political force.

[DEMOKRATA] Not even outside parliament?

[Minarik] The situation is extremely bad, and unfortunately politicians are characterized neither by honesty nor by expertise.

[DEMOKRATA] What effect can the convertibility of the forint have on the process of collapse that you envision?

[Minarik] All those who have money will be able to take it out of the country all the easier.

[DEMOKRATA] Still, it could give a kind of respect to the economy. Or is this process not so simple?

[Minarik] Convertibility in itself does not give any respect to the economy. Since the convertibility has been announced, the forint has been devalued in Vienna by 10 percent.

[DEMOKRATA] There are opinions that if one capitalist undertakes a serious investment in Hungary, this would attract others. What do you think?

[Minarik] I have never met anyone who seriously wanted to invest in Hungary. For instance, Suzuki is considered to be the nicest success story. However, few people know that the contract contains a secret clause which stipulates that if Suzuki does not reach a certain level of profit, the deficit will be supplemented by the budget.

[DEMOKRATA] As honorary president of APUSZ, what is your opinion of the current tax code?

[Minarik] People are exploited by the high taxes, and all of this accelerates the collapse of the regime. As a consequence of the MSZP-SZDSZ government's measures, the share of the black market in the economy can reach 35-40 percent. Businessmen can only survive the present system if they go into the black market.

[DEMOKRATA] Is the state the greatest booster of the black market?

[Minarik] It fights the black market, but in reality, it boosts it. Even the chair of the committee fighting the black market acknowledges that high tax rates make his work impossible.

[DEMOKRATA] The legal environment is also fairly disorganized....

[Minarik] Of course, the legal consequences correspond to the government's intentions. If one observes the changes of the law concerning various taxes, the first obstacle can be found among the procedures, because they include estimates and investigation law, as well, based on which anyone can be prosecuted. But this is still week in comparison with what was passed in the treasury law. On page 34, in three lines, it is declared that after 1 January 1997 the accounts of budgetary organs, including local governments, can be kept only by the Treasury. From this point on, the financial independence of local governments will be abolished, and this is related to the newest trick of the government concerning local taxes. In other words, the government will reduce the support of local governments, while it allows them to increase the taxes which they can levy in their own authority twofold or even tenfold. The local governments will have no option but to take this step, otherwise they can close the schools and hospitals. However, after 1997 only the Treasury can keep the accounts of local governments. In practice this means the end of financial independence for local governments. The Treasury can take, give, reorder. This is how taxes nowadays are raised in two stages in Hungary. This is nothing other than the complete abolishment of democracy, traces of which are still visible in taxation. It is a perfect manipulation.

[DEMOKRATA] We spoke about the financial collapse. While everything is privatized out of the country, what possibility will Hungarians have for progress? After all, Hungary cannot compete with foreigners, because one needs capital to do so.

[Minarik] And connections. Until recently, I was member of an overseeing committee of a Swiss-Hungarian company. In spite of its very good products, this company closed every year with a deficit. After a while, I wanted to research the cause of the deficit, and I asked the Swiss director to allow me to look through their books. He said I need not go there, because the company as a whole is profitable. Specifically, the Hungarian joint venture can only buy raw materials from the Swiss mother company at a price which is 30 percent higher than the market price. And the sales are conducted by a company in Vienna, also owned by the

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firm, which buys the product from the Hungarian party at a price much lower than the real value, and they even make some money on the waste. Thus, the entire company made great profit, while the Hungarian section suffered huge losses, and, after a few years, the Hungarian partners lost their capital, and the company was bankrupt. Seeing this I gave up my office.

[DEMOKRATA] And concerning Hungarians' possibilities, in the future even the most capable Hungarians can only be managers of the second or third rank in the foreign factories set up here....

[Minarik] There is another possibility, namely, to go back 100 years and adopt Szechenyi's thought: Buy Hungarian! There were and there are capacities to provide for the country, in spite of the fact that part of these companies were closed down in the interest of foreign owners.

[DEMOKRATA] Recently, the international financial community saved Mexico from a similar collapse. Can we expect something similar?

[Minarik] Because of certain reasons our position is even worse than that of Mexico. There the economy collapsed, but they received $40 million from the US, which pulled them out of trouble. Hungary is in an entirely different situation, because we do not have a 4000-km-long border with the United States. Thus, the help was given hardly in the interest of the Mexicans, but in the interest of the US, because if they had abandoned the Mexican collapse, the US would have been beset with illegal immigrants. Hungary represents no value whatsoever for the West: We have no oil, no raw materials; we could only excel in the area of food production, but they are not interested in that. Unfortunately, the sad reality is that, if we go bankrupt, no one will care.

[DEMOKRATA] Do Hungarians have no price?

[Minarik] I would rather say, how much is a family worth if it is Hungarian? The answer is simple: One only has to look at the support that families received in 1994—in child-care allowance, child-care pay, family allowance, and other monies—and how much they get in 1996. If we stipulate inflation at 26.5 percent, which is not true, and 20 percent for 1996, which is not true, either, we can see that the amount of support for families decreased by 48 percent. In contrast, the incomes of ministers and other leaders increased by 20 percent, and reimbursement for expenses also considerably adds to their income. In other words, compared to the 1994 level, the 1996 income of leaders grew by almost 50 percent. This is how much a Hungarian family is worth.

Hungary: Public Evaluates Economic Reforms

96CH0061A Duesseldorf HANDELSBLATT in German 13 Feb 96 p 8

[Article by Otto Wolff von Amerongen: "In Budapest the Market Is Still Judged With Mixed Opinions"]

[FBIS Translated Text] Hungary's course of economization and stability is not just perceived favorably. A noticeable decrease in income brings many people to the limit of what they can endure. For that reason people have a mixed attitude toward the reform policy and market economy, reports a study by the Cologne Research Center for Empirical Socioeconomics.

Duesseldorf, 12 February—The strict economization program initiated last year by the Horn government is now bearing its first fruits in Hungary. The economy is on a growth path, and it has clearly been possible to reduce the twin deficits in the state budget and the balance of payments. The economic nadir has been passed and a gradual but constant improvement in the economic situation is in sight. Although the 1995 gross domestic product grew only slightly at 1.5 percent, a growth rate of 3 percent is estimated for 1996. Inflation appears to have reached its highest level so far in 1995 at 29 percent. The government's much-noted, consistent savings measures reduced the budget deficit to 5 percent of GDP in 1995.

A study by the Research Center for Empirical Socioeconomics in Cologne was devoted to the question of how far the population in Hungary supports the reform policy and the initiated stability course, and how it evaluates the introduction of a market economy in Hungary. This study was undertaken last year at the behest of the Otto Wolff von Amerongen Foundation and the Margarete and Johann Ley Foundation, Cologne.

According to this study, the slight improvement in the individual's overall economic situation is scarcely noticeable yet. At this time it is not yet reflected in people's opinions and assessments: The general economic situation in 1995 was negatively judged by the great majority of the population (81 percent). A comparison with the year before does not show any improvement either, in the opinion of 80 percent of those asked. For the year 1996, for which a growth of 3 percent has been forecast, the majority expects further deterioration; however, the share of those who see an improvement (11 percent) is slowly growing.

Businessmen Show the Greatest Confidence

This opinion trend continues for medium-term expectations. Well over half of the population still envisions

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further deterioration in the economic and political situation over the next five years. Not quite one-fourth thinks that an improvement can be expected, and another well over one-fourth says it does not believe the current situation will change. Clearly more positive is the future outlook of the businessmen, in particular the service providers.

The economic situation in private households is marked by the lasting drop in real income caused by the transformation. It decreased by 10 percent in 1995 as well, after a brief recovery in 1994. Therefore, only a small minority (somewhat over 6 percent) determined an improvement in their financial situation compared to 1994. The great majority (71 percent) regarded itself as worse off than the year before. Even so, private households regard their financial situation as better than might be assumed based on economic figures. In all, only about one-third of those asked indicated that they are not able to make ends meet with their current income. Not quite half said that they break approximately even, and about one-fifth were even able to save a little.

One reason for the relatively favorable opinion of people's own household situation, despite the losses in real income, is the many subeconomic activities outside official economic life. Farmers ensure their livelihood by supplying themselves, city dwellers by having jobs on the side, the unemployed by moonlighting. In all, 65 percent of those asked utilize the opportunity of improving their living by means of working or producing for themselves.

Only approximately one-fourth of the Hungarian population is satisfied with the pace of the reforms. Compared to assessments of the reform pace in the years 1991 to 1993, it is striking that there is still not quite a majority that wants an acceleration of the reforms, but the share of those who wish for a more moderate pace has nearly doubled from 1993 to 1995. It is thus no wonder that the call for social safeguards in the reform program is becoming increasingly loud: An overwhelming majority (85 percent) is demanding a more socially compatible version of the reform policy, for example in the form of a guaranteed minimum material existence. Unchanged continuation of the reforms is advocated by only about 8 percent.

Many Hungarians Feel Overburdened

In comparison with the reform nations studied in 1993-94 (Poland, the Czech Republic, and Slovakia), the Hungarians are clearly less satisfied with their reforms. The proportion of those asked who want unchanged continuation is in Hungary clearly below the one in the Czech Republic (15 percent), in Slovakia (about 20 percent), and Poland (16 percent). It turns out that although the Hungarians do support the reform process they are unhappy about its actual implementation and form.

The transition from a centrally controlled economy to a market economy has led to a feeling of being overburdened and insecure. Only about 17 percent of the people are dealing well with the new economic system. The overwhelming majority (83 percent), however, still feels overtaxed by the market economy. This feeling is reinforced particularly by the fact that the familiar ways of doing things, which have so far been correct, have now become obsolete, and the required new ways of doing things have not yet been internalized. The statement that "people were better off before because everyone knew what he had to do" is agreed to by 60 percent.

To preserve social justice it is necessary, in the opinion of a majority of the people, for the state to intervene and regulate the economic process and exert influence on the businesses; 67 percent agree with this opinion. Primarily the workers (82 percent) and retired people (69 percent) agree with this more often than average. Although businessmen in general also wish for an active government, the current degree of government intervention is too high for them.

The role of the businessman as the actual motor for the market economy is recognized in the Hungarian society. In comparison with the Czech Republic and Slovakia, the general rise in the economic standard caused by dynamic businessmen is much more highly valued. Critical voices are primarily heard because of the power position, in particular from major enterprises; 67 percent of the population and 61 percent of the businessmen are of the opinion that businessmen have too much power in a market economy.

That we are currently still dealing with a transitional system in Hungary is also shown by the time frame projected by the people and the businessmen until the establishment of a functional market economy in the Western sense. Both a majority of the people and of the businessmen believe that it will take more than 10 years before a Western-style market economy will be functioning.

Asked then whether Hungary should make use of Western assistance, only about 30 percent agreed. Well over half the Hungarian people say they can solve existing problems themselves. But the Hungarians are more open-minded about Western help than the Czechs, for example, whose willingness to master their problems alone is much more determined, at 73 percent.

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One of the most desired political goals is to be accepted into the EU [European Union] as soon as possible. Due to the existing association agreement and the relatively favorable political and overall economic development, Hungary should stand a good chance of being one of the first socialist reform states ever included. Both the majority of businessmen (80 percent) and of the population (55 percent) believes that Hungary will be a member of the EU no later than 10 years from now. Both groups indicate a time frame of between five and 10 years as a realistic horizon.

Majority Rejects Increase in Western Investments

The unbroken confidence by foreign enterprises in the political and economic stability of Hungary is demonstrated in the development of direct investments. In no other Central and East European nation are these as extensive as in Hungary. At approximately $12 billion the sum total of the direct investments by foreign companies is about twice as high as in the Czech Republic or in Poland. Now, however, a majority of Hungarians oppose a further increase in foreign investments because they fear being swamped with foreigners.

On the other hand, two-thirds of the companies are of the opinion that foreign investments have a positive effect on the economic development and even favor a further increase; they see no danger of being swamped by foreigners.

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B-H: Iran's Teherian Criticizes U.S. 'Pressure' on Bosnia

AU0604150296 Hanau NOVA BOSNA in Serbo-Croatian 6 Apr 96 p 3

[ONASA report: "No One Has the Right To Exert Pressure on Bosnia-Herzegovina"]

[FBIS Translated Text] Sarajevo, 5 Apr—Commenting on the recent pressure that the United States has exerted on the legal Bosnia-Herzegovina authorities for maintaining close relations with Iran, Muhamed Ibrahim Teherian, Iranian ambassador to Bosnia-Herzegovina, stated that no country, even if it were the United States, should allow itself to exert pressure on Bosnia-Herzegovina.

According to him, Bosnia-Herzegovina is an unusual country. It enjoys the rights that are internationally recognized, but just because it has found itself in a difficult position, no one should abuse that position to impose its own way of thinking.

"One should never forget that we are talking about the people who have been fighting courageously and honestly in the past four years for their rights and who managed to defend their rights. The United States will make a mistake if it plans to go ahead with such a program. If they have really come to help, then I believe they (the Americans) are welcome, and the local people will certainly receive them warmly, in the same way they have received us. The United States has no right to impose anything. I think that these people will not accept anything like that," Ambassador Teherian said.

B-H: Iranian Ambassador: Aid Given Through Legal Channels

LD0804095196 Tehran IRNA in English 0937 GMT 8 Apr 96

[FBIS Transcribed Text] Sarajevo, April 8, IRNA—Iran's ambassador in Bosnia, Mohammad Ebrahim Taherian, said here Monday that Iran's humanitarian assistance to Bosnia was carried out through legal and official channels.

Speaking to IRNA, the Iranian diplomat was commenting on the recent propaganda by the American media that Iran's dispatch of arms to Bosnia was carried out with the implicit approval of Washington.

Turning to his interview with the WASHINGTON TIMES, the ambassador said the paper has distorted parts of his statements.

Quoting Taherian WASHINGTON TIMES claimed that if the U.S. had prevented dispatch of Iranian arms, it would have been questioned by the American people. American people would have objected to Washington for not allowing others to help Bosnians while itself had refrained from assisting them.

The ambassador said he had reiterated in the interview that the Iranian humanitarian assistance had been carried out through legal and official channels and that the U.S. had not been in a position to approve such aids.

"Based on our Islamic beliefs and our nation's deep sympathy with the Bosnian Muslims," he said, "we considered ourselves bound to support and offer assistance."

He stressed that the assistance was offered through various channels especially Islamic countries and the Organization of Islamic Conference and there had been no need for U.S. approval.

B-H: TANJUG on U.S. Role in Arming Bosnian Muslims

LD0604173696 Belgrade TANJUG in English 1716 GMT 6 Apr 96

[FBIS Transcribed Text] Washington, April 6 (TANJUG)—The old affair of covert Iranian arms shipments to Bosnian Muslims is taking on new proportions and new actors with claims that President Clinton knew about the arms deliveries and personally agreed to them.

The White House unconvincingly defends itself by saying that it has not violated American laws nor the U.N. Security Council resolution, and that the U.S. had neither paid for, nor shipped, arms to Bosnian Muslims.

Sources close to the Administration unofficially said that the U.S. was not charged with enforcing that third countries do not deliver arms to Bosnia warring parties.

U.N. spokesman Ahmad Fawzi immediately reacted to this by saying that U.N. member countries were committed to respecting the Security Council embargo and that no one had the right to decide unilaterally to partly respect the embargo and partly to violate it.

The White House will probably be able to prove that it had not broken American laws and that the U.S. had not been the one to violate the Security Council resolution but will have difficulties in justifying itself morally. While the arms shipments to Bosnia continued Clinton refused to cede to the republicans' pressure for the U.S. to unilaterally lift the embargo.

It will also have difficulties explaining to the public and the Congress how it could have agreed to something linked with Iran, a country blacklisted in the U.S. because of its support to international terrorism.

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But even this is not new. Despite animosity towards Iran, former administrations had secretly dealt with the country. For instance, the Irangate affair during the Reagan Administration when Iranian arms were covertly shipped to the Nicaraguan Contras.

B-H: AFP Reports Arms Supply Embargo Copiously Violated

AU0804065296 Paris AFP in English 0537 GMT 8 Apr 96

[FBIS Transcribed Text] Zagreb, April 8 (AFP)—Violation of the international arms embargo by the various sides in the Bosnian conflict with the knowledge and support of their friends is widespread despite denials by most of those concerned, according to specialists in the region.

While the Moslems, who reports said last week were supplied by Iran with the approval of the United States, have not benefitted to a great extent, Croatia has managed to create a sizeable army out of nothing.

The LOS ANGELES TIMES reported last week that two senior US diplomats, acting on instructions from the White House and the State Department, told Croatian President Franjo Tudjman that Washington would not object to the creation of a weapons pipeline from Iran to Bosnia.

"We didn't provide arms to the Bosnian government or to Croatia directly or indirectly," State Department spokesman Glyn Davies replied, while the White House said the United States had complied fully with the arms embargo.

But a military attache based in the former Yugoslavia said it was an open secret that from 1992 weapons were coming into Bosnia, and that major powers were turning a blind eye.

The deliveries from Iran via Turkey mainly concerned light infantry weapons, ammunition, anti-tank missiles, communications and night-vision equipment, and even such basics as uniforms, helmets and flak jackets.

But a recent NATO inspection showed that the Moslems had been unable to create an armor force or artillery arm to match the fire-power of the Bosnian Serbs, who had their pick of Belgrade's array of weaponry.

As an officer of the NATO-led peace implementation force (IFOR) in Sarajevo commented: "What struck us was the rudimentary and hotch-potch nature of their arsenal, even if it was larger than we expected."

What the Moslems obtained was minute compared with Tudjman's Croatia, which parades its acquisitions quit openly. On May 30, 1995 foreign ambassadors and military attaches watched a 90-minute parade outside Zagreb of tanks, long-range guns, missiles, multiple rocket-launchers, helicopters and airplanes.

Only four years earlier, before Zagreb broke away from the rest of Yugoslavia, a Croatian general, Martin Spegelj, was smuggling in batches of AK-47 assault rifles from Hungary.

Zagreb had no weapons and no troops apart from interior ministry police, and was unable to prevent Croatian Serbs from occupying the Krajina region and declaring independence.

An officer of the United Nations remarked just before leaving here in January that the Croatians should be grateful to the UN, whose arrival in May 1992 stabilised the situation and enabled Zagreb to build up an army.

Croatian Defence minister Gojko Susak, backed by wealthy Croatians overseas, went on a mammoth shopping expedition for arms. He brought back MiG-21 fighters, Mi-24 attack helicopters, T-55 and M-84 tanks from former Warsaw Pact countries.

Intelligence sources said both Russia and Ukraine sold surplus equipment to Croatia, sending it via Bucharest.

Another pipeline brought in equipment of west European manufacture via Argentina, home to an ultra-nationalist Croatian community.

NATO's Sharp Guard blockade operation in the Adriatic was cited by western countries as a sign of their determination to see the arms embargo was respected, but Croatia's weaponry doubtless came in overland, with the connivance of neighbouring countries.

Some of these deliveries were destined for Bosnia, which also saw mysterious night landings by transport planes at Tuzla airport, although these were never frequent enough to constitute an independent source of supply.

The Bosnian Serbs, meanwhile, maintained close ties with the armed forces of the rump Yugoslavia of Serbia and Montenegro, which supplied weapons, equipment and officers.

Their sophisticated air defence system was the target of heavy bombardments by NATO aircraft and even Tomahawk cruise missiles in August last year.

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B-H: Muratovic Previews Aid Conference in Brussels

AU0804154196 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 8 Apr 96

[Report by Senada Cumurovic on news conference by Bosnia-Herzegovina Prime Minister Hasan Muratovic in Sarajevo on 8 April—recorded]

[FBIS Translated Text] [Cumurovic] Prime Minister Hasan Muratovic has announced that, besides the eight permanent members of the contact group of Islamic countries—namely, Egypt, Iran, Malaysia, Morocco, France, Saudi Arabia, Senegal, and Turkey—representatives from a few other countries that form [words indistinct] and that expressed a desire to attend will also participate in this first meeting of its kind in Sarajevo.

The meeting will be presided over by ICO [Islamic Conference Organization] Secretary General (?Hamid al-Jabid). Two topics will be discussed, Prime Minister Muratovic said:

[Muratovic] First, the implementation of the peace agreement and second, the participation of Islamic countries in the aid conference. The meeting in Sarajevo was called bacause of the aid conference in Brussels and our consultations in connection with the [words indistinct] countries.

[Cumurovic] As Prime Minister Muratovic announced, the ministerial council on 3 April [words indistinct] at the senior level, which will open tonight and last all of tomorrow. At the end of the meeting, we expect the adoption of a joint declaration that will contain the conclusions of the meeting [words indistinct] some [words indistinct] general standpoints of this organization towards Bosnia-Herzegovina.

[Cumurovic] The main contributors to the aid conference in Brussels, which [words indistinct] ministerial council are the World Bank, the United States, the European Union, Japan, and the Islamic countries. The aid conference, it was said at today's news conference, will last two days. On the first day, as Prime Minister Muratovic said, participants will discuss the technical aspects of receiving the aid, and on the second day, the registration of donations. The Brussels gathering is supposed to raise $1.2 million in aid for the reconstruction of Bosnia-Herzegovina. Prime Minister Muratovic said that he did not anticipate the participation of the Serbian entity unless the European Union changes its stance.

This news conference was also an opportunity for Dr. Muratovic to comment on speculations concerning the Bosnian dinar. Explaining the reasons for it, Prime Minister said:

[Muratovic] Naturally, it happened by mistake with the publication of the news that a decree by the Federation finance minister has been compiled, whereby obligations to the federation were payable in German marks exclusively. His decision was supposed to become valid after publication in the official gazetteer of the federation; therefore, it is not applicable. However, this decision will not apply because [words indistinct] does not have the authorization [words indistinct]. Speculators with currency took advantage of this decision and with their statements and behavior created a chaotic situation in order to purchase lots of dinars from citizens.

[Cumurovic] The Bank of Bosnia-Herzegovina is backing the exchange rate of the Bosnian dinar. There are no economic reasons for the decline of the dinar. For that reason, Prime Minister Muratovic urged citizens not to sell their dinars cheaply.

B-H: National Bank Head on Future of Bosnian Currency

LD0704185496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 7 Apr 96

[FBIS Translated Text] Kasim Omicevic, the governor of the National Bank of the Republic of Bosnia-Herzegovina, today denied rumors that the Bosnian dinar will be abolished and insisted that the currency will remain legal tender in Bosnia-Herzegovina. Omicevic rejected any idea that it could be replaced with the German mark [DM]. True, in addition to the dinar, the mark was earlier introduced as legal tender.

Speaking at a special news conference, Omicevic announced that, as the only competent institution, the National Bank will take all steps necessary to restore confidence in the currency that has been affected by the rumors and legally unfounded moves by some institutions. Shops that refuse to accept the dinar and observe the National Bank's official exchange rate will be closed, Omicevic said.

This means that shops in the federal territory under the control of the Bosnia-Herzegovina Army will have to accept the dinar at the exchange rate of 1:100 [100 dinars to DM1]. No other currency can be used as legal tender in Bosnia-Herzegovina, Omicevic insisted.

Governor Omicevic described the current situation as resulting to a large extent from some mistaken moves by some people in the top echelons of the Federation.

I have been told that Federation Finance Minister Drago Bilandzija has decreed that customs duties and federal taxes be paid in German marks exclusively, Omicevic said. This, he said, is an illegal decision that has resulted in an imbalance in payment transactions and in the use

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of the dinar as legal tender. Minister Bilandzija should publicly explain his decision, Governor Omicevic said.

In response, the National Bank will initiate a number of measures to sanction irresponsible moves and to restore order. Some rumors about signed agreements and decreed payments in German marks have undermined the value of the dinar. A whole number of indicators show that the whole issue has been artificially created.

According to Governor Omicevic, every single dinar issued by the National Bank has been covered by 1 [German] pfennig. Since June 1994, the state has not been financed by uncovered dinars, but primarily from principal sources such as customs duties, taxation, donations, etc. Steps taken to stabilize the Bosnian dinar were assessed in positive terms by experts from the World Bank, Omicevic said.

The National Bank governor also explained the situation surrounding the transformation of the payment transactions institutes. There are, as he said, laws on the payment transactions institutes of the Republic and the Federation. The law on the republic's payment transactions institute has not been annulled. It is true that same people work in both institutes, even their headquarters are in the same building. No one has the right to promote the federal law on payment transactions to the detriment of the republic one, Omicevic said. He stressed the need for better coordination between the country's financial institutions to avoid similar developments.

B-H: Izetbegovic Criticizes Croatia, Bosnian Croats

AU0704125496 Paris AFP in English 2139 GMT 6 Apr 96

[FBIS Transcribed Text] Sarajevo, April 6 (AFP)—Bosnian President Alija Izetbegovic on Saturday [6 April] criticized neighbouring Croatia for what he said was "interfering" in Bosnia's domestic affairs but predicted peace for his country.

"I am unhappy with Croatian policy because it is interfering in Bosnia's domestic affairs," Izetbegovic said in his first interview with the state television since being hospitalised for heart problems in February.

Croatian Defence Minister Gojko Susak said last month the Croatian Army would defend Croat interests in Bosnia-Herzegovina, Izetbegovic said. This is "indefensible," he said.

A Moslem-Croat Federation was formed in 1994 ending an 11-month war but relations between the two supposed allies against the Bosnian Serbs have remained strained.

Moslems accuse the Croats of seeking to integrate Croat-held territory in Bosnia-Herzegovina into Croatia. Zagreb has meanwhile backed the hardline Croats.

Izetbegovic, looking healthy after his convalesence in hospital, appeared to risk enflaming passions between the communities, accusing Bosnian Croats of not defending the country as vigourously as they could have against Serb rebels who attacked eastern Bosnia in 1992.

"It is not my fault that the greater part of the (Bosnian) Croat people did not defend Bosnia," he said.

Izetbegovic said however he did not think there would be any more war against the Bosnian Serbs "and if there is they (the Serbs) will lose it."

"They could not destroy us in 1992 when they were at their strongest, so they will not be able to do it now," he said.

The 70-year-old president said he thought the elections, due under the Dayton peace accord to take place by September, would happen.

Izetbegovic said he had not yet made a decision whether he will be a candidate at the elections because "that will depend on my recovery."

He said that nationalist parties would probably win the elections among the Croat and Serb communities.

But the Moslems could split choosing between Izetbegovic's ruling Moslem Democratic Action Party (SDA) and the Party for Bosnia-Herzegovina, led by Haris Silajdzic, the former Bosnian prime minister, he said.

Silajdzic, a former member of the SDA, quit his post in January after he split with Izetbegovic and the party.

A poll carried out in March by the independent magazine BH DANI (BH Days) showed that Silajdzic was the most popular politician in the government-held parts of Bosnia-Herzegovina.

Silajdzic took 41.92 percent support out of 5,355 people interviewed in five government-held Moslem-majority cities, ahead of Izetbegovic in second place with 26.64 percent.

The poll also showed that 37 precent would have voted for Silajdzic's party had the elections been held at the time of the poll and 33 percent for the SDA.

Silajdzic has still not officially presented his party and its programme.

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B-H: 'Concrete Measures' for Federation Agreed Upon

AU0704191296 Sarajevo VECERNJE NOVINE in Serbo-Croatian 2 Apr 96 p 4

["Agreement on the Federation of Bosnia-Herzegovina," signed in Sarajevo on 30 March: "Commitments Must Be Implemented"]

[FBIS Translated Text] We, the undersigned, met in Sarajevo on 29 March 1996 at the invitation of the Principal Deputy High Representative Ambassador Michael Steiner to evaluate the present state of the Federation of Bosnia-Herzegovina, and to decide upon concrete measures to implement the federation.

What is needed now are concrete implementation steps. We welcome the establishment of Cantons Eight and Ten on 29 March 1996, and of Cantons Six and Seven with a special regime on 28 March 1996. This is an important step forward. But more needs to be done. Therefore, we have decided the following:

Basic Commitments

1. We reaffirm that all of the commitments undertaken at the meetings in Rome on 18 February and in Geneva on 18 March 1996 must be fully implemented.

2. We reiterate our commitment to freedom of movement throughout the territory of the Federation of Bosnia-Herzegovina, without any exception for all roads and means of transportation, and express our gratitude for IFOR's [Implementation Force] efforts, in cooperation with the UN International Police Force, to assist in ensuring this. In particular, we reiterate the importance of action by IFOR to eliminate all illegal internal customs, military, and other checkpoints. This is especially important in connection with the elimination of internal customs checkpoints and the deployment of international monitors at the external borders on 1 April.

3. We have decided to recommend to the federal parliament to consider, at its next session, the attached specimens as the future federation flag and coat of arms.

4. We call upon IFOR, the EU Commission, the World Bank, and the IMG [expansion unknown] to continue their close cooperation in surveying the military, physical, and economic feasibility of opening additional commercial routes into the territory of the Federation from various directions.

5. We agree that each specific obligation mentioned in this agreement will have to be carried out irrespective of the implementation of other obligations mentioned in this agreement. Linkages and conditionalities between the implementation of different obligations shall not be allowed.

Transfer of Governmental Structures

6. Prime Minister Muratovic [prime minister of the Republic of Bosnia-Herzegovina] and Prime Minister Kapetanovic [prime minister of the Federation of Bosnia-Herzegovina] will take immediate steps to ensure that the federal government has the facilities and resources necessary to fulfill the role envisaged for it under the Constitutions of Bosnia-Herzegovina and of the Federation. This will involve refinement and further reduction of the role and staffing and other facilities of existing ministries of the Government of Bosnia-Herzegovina. Furthermore, the most responsible persons from the Croat community will take immediate steps to ensure the transfer of personnel and other resources from existing civilian authorities and organs in the areas of the Federation controlled by the HVO [Croatian Defense Council] and the subsequent dissolution of these authorities and organs. The transfer of these resources to the Federation shall start immediately and shall be completed by 10 April.

In particular:

a. In the area of finance, this will involve the transfer from the level of the Government of Bosnia-Herzegovina to the Federation level of all the staffing, office space, and other facilities necessary for the policy and operational responsibilities of the federal Ministry of Finance. The same applies to the transfer of personnel and resources from the finance administration in the areas of the Federation controlled by the HVO. The resources remaining at the level of the Government of Bosnia-Herzegovina will be only those corresponding to its limited functions;

b. In the area of internal affairs, this will entail, as provided by the Constitutions of Bosnia-Herzegovina and of the Federation, the full transfer to the authority of the Federation, or, as appropriate, to canton authority of personnel from institutions at the level of the Government of Bosnia-Herzegovina (including the Agency for Investigation and Documentation, as far as areas of Federation competence are concerned), and from existing civilian authorities and their organs in the areas of the Federation controlled by the HVO.

c. In the area of defense, the federal ministry shall become operational on the basis of the Federal Defense Law, without awaiting the Defense Law at the level of the Government of Bosnia-Herzegovina, which should be enacted after the general elections.

Furthermore, Federation Prime Minister Kapetanovic and his deputy Bilandzija will ensure that the federal

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government, at its next session, consider and approve all outstanding ministerial standard operating procedures in all the cases where there is a positive legal opinion of the Ministry of Justice and the Office for Legislation. The prime minister will instruct all those ministries that have not yet submitted their draft regulations to submit them by 9 April. The respective ministers and their deputies shall bear responsibility for the timely submission of the draft regulations from their ministries. Any of those responsible for steps identified in Paragraph 6 may submit any matter related to these draft regulations that has not been mutually agreed to the Federation arbiter for decision by 5 April.

Specific Steps in the Implementation of Federation Institutions

7. Furthermore, we agree upon the following specific obligations:

a. Federation Minister of Justice Tadic and his deputy Hasic will submit the constitutional amendments necessary to harmonize the federal constitution with the Constitution of Bosnia-Herzegovina to the federal assembly at its next session;

b. Federation Minister of Defense Soljic and his deputy Cengic will submit the Basic Defense Law to the federal assembly at its next session;

c. President Zubak and Vice President Ganic will ensure that the Federation partners, in accordance with the Geneva statement of 18 March, submit their draft suggestions concerning the further elaboration of the organization of the city of Sarajevo to the Principal Deputy High Representative by 5 April, with the intention of resolving this question before the next meeting of the Federation Assembly;

d. Federation Minister of Justice Tadic and his deputy Hasic will submit the Law on Federal Units to the Federation Assembly for consideration at its next session;

e. President Zubak and Vice President Ganic will ensure that Federation partners submit their draft suggestions concerning the adaptation of municipal boundaries to the inter-entity boundary line to the Principal Deputy High Representative by 1 May;

f. Federation Minister of Interior Hebib and his deputy Leutar will provide the information and data on all current police structures and strength on the whole territory of the Federation, as stipulated in Article IV of Annex 11 of the Peace Agreement to the UN International Police by 5 April. Furthermore, the Federation minister of interior and his deputy Leutar will ensure that samples of the new dark gray uniforms for the police forces on the territory of the Federation be manufactured, so that they can be presented to the public by 8 April;

g. The elected governors of cantons and their deputies in Cantons Six, Seven, Eight, and 10 are responsible for ensuring the formation of the respective canton governments by 9 April. They shall also be responsible for the subsequent establishing of functioning administrative and judicial structures;

h. The constituting sessions of the interim municipal assemblies and the election of officials shall take place in Stolac, Capljina, Vares, and Bugojno by 9 April. The highest representative of the present municipal authorities, together with the highest local representative of the two parties which received the most votes at the 1990 elections in the municipalities of Bugojno, Vares, Stolac, and Capljina, shall be responsible for the successful convening of the interim municipal assemblies and the election of municipal officials;

i. Federal Customs Director Bagaric and Deputy Director Bijedic will ensure that the joint customs system is functionally operational (by unifying the services, appointing the directors of customs houses and transferring all revenues to Federation accounts) by 1 April. The ministers of trade, agriculture, and health, and their deputies will, in their fields of competence, ensure proper monitoring and control on all border crossings throughout the Federation, as specified in the conclusions of the federal government. The implementation of the system will be assisted by international observers, as soon as the Memorandum of Understanding with the European Union is signed. All other existing customs regulations shall be nonapplicable by 1 April. Federation Finance Minister Bilandzija and his deputy Curcic-Selimovic have the right to have two observers present at all times at each international customs border crossing point of the Federation observing the customs procedures exercised at those points. As far as police tasks at the international border crossings of the Federation are concerned, the Federal Law on Internal Affairs of 1 February 1996 will apply;

j. Federation Tax Director Huseinbegovvic and his deputy Pandza will appoint senior staff by 31 March. The Federal Law on Tax Administration will be enacted and a federal tax board established by 30 April;

k. General Director of the Federal Office of the Federation Payments System Burnazovic and his deputy Musa will make the unique payment system operational by 30 April. The payment will, through the Federal Office for Payment Operation, use the German mark as the unit of account (other currencies already circulating in the Federation will continue to circulate through the channels of the commercial banks);

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l. Federation Minister of Finance Bilandzija and his deputy Curcic-Selimovic will, with the advice and in cooperation with the World Bank and the International Monetary Fund [IMF], prepare a draft Federation budget for 1996 by 10 April;

m. Federation Minister of Finance Biladzija and his deputy Curcic-Selimovic will, in cooperation with the World Bank and the IMF, prepare the basis and framework for the canton budgets by 10 April;

n. The Federation minister of finance and his deputy will submit to the federal government at its next session the draft law on the Federation bank agency monitoring the operation of banks, as well as the changes on the Federal Law on Banks, and the federal government will submit them to the federal assembly for consideration at its next session.

8. The laws called for in this agreement shall be submitted to the federal assembly convened for 11 April. The assembly shall remain in session until all necessary legislative action required under this agreement is completed.

Consequences of Nonimplementation

9. Cantons will not receive any financial resources from shared taxes and transfers until they have elected governments and have established adequate operational structures. The same will hold for municipalities that have not properly formed their interim municipal assemblies and not elected their officials. This applies to resources from the international community as well as from the central and the federal government, and from existing civilian authorities and organs in the areas of the Federation controlled by the HVO.

10. Assistance for reconstruction of housing beyond basic humanitarian requirements will not be channeled to communities that fail to permit the return of displaced people and refugees.

11. Recalling Paragraph 8 of the Geneva Declaration, which stated that only those officials who are truly committed to the fundamental principles of the Federation and to the implementation of agreed measures should serve in public offices in federal institutions, President Zubak and Vice President Ganic commit themselves, in cases where specific deadlines are not respected, to remove from office all those that are mentioned in this agreement as being responsible for the specific task and deadline.

12. In cases where the president, the vice president, and the prime minister agree, or the federal assembly decides that third persons bear responsibility for the nonimplementation of a specific task and deadline, those third persons will be removed from office. In cases where the president, the vice president, and the prime minister agree, or the federal assembly decides that objective reasons prevented implementation of the deadline, the responsible persons will not be removed.

13. At the session of the federal assembly following the expiration of any one of the above mentioned deadlines, the president, the vice president, and the prime minister of the Federation will jointly report to the federal assembly on the concrete personnel changes and other decisions taken.

Signed in Sarajevo, on 30 March 1996.

Kresimir Zubak, president of the Federation of Bosnia-Herzegovina;

Izudin Kapetanovic, prime minister of the Federation of Bosnia-Herzegovina;

Hasan Muratovic, prime minister of Bosnia-Herzegovina;

Ejup Ganic, vice president of the Federation of Bosnia-Herzegovina;

Drago Bilandzija, minister of finance and deputy prime minister of the Federation of Bosnia-Herzegovina;

Jadranko Prlic, minister of foreign affairs of Bosnia-Herzegovina;

In the presence of: Ambassador Michael Steiner, principal deputy high representative.

B-H: SDA, HDZ Officials Disagree Over Federation Agreement

AU0504173896 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 2 Apr 96 p 5

[Article by S.L.: "Disputes Even After Signing"]

[FBIS Translated Text] "The Agreement on the Federation of Bosnia-Herzegovina, signed on 29 March in Sarajevo, is just an operative program of tasks to be performed by the president and the vice president of the Federation," Edhem Bicakcic, deputy chairman of the Party of Democratic Action [SDA], told OSLOBODJENJE, adding that the agreement must be verified by the Federal Assembly.

Bicakcic announced that the SDA will make a special statement regarding the content of the agreement reached in Sarajevo. According to him, a few things have remained unspecified, and they have to be precisely defined. He underlines the issues of defense, a uniform monetary system, and the establishment of the central federal agency for the supervision of banks, the Agency for Investigation and Documentation [AID], the

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organization of Sarajevo, and the proposed coat of arms of the Federation.

Concessions Were Necessary

Bozo Raic, chairman of the Croatian Democratic Community [HDZ] of Bosnia-Herzegovina, believes, however, that the greatest deficiency of the Sarajevo Agreement is in the deadlines, which are rather tight. "This particularly refers to the designation of canton authorities, but we cannot help it. We shall do anything to meet those deadlines, and, to this end, we shall give further instructions to our members, although, I repeat, the pace of implementation is rather rapid," Radic says.

He does not accept the possibility of subsequent objections to the very text of the agreement, because, as he says, there were many opportunities for that during the debate on the agreement and before the signing of the final version. "Now it is useless to insist on that, and one has to accept the fact that certain concessions had to be made," he says.

The parties that have a majority in the parliament and are considered to be partners interpret the Agreement on the Federation of Bosnia-Herzegovina in different ways. Such different views have been expressed already one day after its publication. Disputed issues have been mentioned, but they are interpreted from quite different angles.

However, let us start from the beginning. The Agreement itself refers to AID in a rather unspecified way, which has been the major matter of dispute between the federal partners recently. The Agreement says that, in the sphere of internal affairs, all the staff of institutions at the level of the Government of Bosnia-Herzegovina will be transferred either to the federal authorities or to those of cantons, and it adds that this applies to AID as well, anticipating the jurisdiction of the Federation.

From this formulation, it is can be easily deduced, for instance, that AID will be within the jurisdiction of the Federal Interior Ministry [MUP], but the other option is also possible.

Bicakcic says, however, that the SDA will not allow the abolition of AID. This agency, the SDA deputy chairman makes clear, was formed in agreement with the Dayton accord, where it is set forth that Bosnia-Herzegovina, rather than the Federation, is in charge of security. Consequently, it is not within the jurisdiction of the Federation. As for the possible transfer to the Federation, according to Bicakcic, it can apply only to staff and equipment, which is again a matter of dispute between the federal MUP and AID.

For Raic, AID is unconstitutional and it is not binding on the Croatian people, for it is a force above society. AID's function must be harmonized with the Federal Constitution.

Defense Is Also a Disputed Issue

The next subject of dispute is defense. Bicakcic does not understand how the federal law on defense can be passed without precisely defining the entire system of defense for the entire country. "Who will defend Bosnia-Herzegovina on the Drina River?" he wonders, adding that the proposed draft of the federal law on defense is in opposition to the existing republican laws in that field.

Of course, Raic holds a different opinion. "The law on defense has been politically coordinated, and, in the Agreement, we have clearly stated that the adoption of federal acts cannot be stipulated by the adoption of Bosnia-Herzegovina's acts," Raic says.

It is these two issues on which the attitudes of the partner parties have not been harmonized yet, but a more serious analysis of the latest Agreement on the Federation would probably show there are some more. Bicakcic says, for instance, that he personally dislikes the proposed coat of arms, but he still leaves it to the deputies of the Constitutional Assembly to make the final decision. In his opinion, the status of the federal agency for the supervision of banks is insufficiently defined as well. He says that the Dayton accord anticipates the establishment of the central bank and a uniform monetary system. Besides, the future jurisdiction of the National Bank is also unclear, in view of the possible foundation of the agency for the supervision of banks.

Bicakcic considers the provision on the introduction of a uniform system of payment operations to be questionable. "How are we supposed to establish a uniform monetary system in the whole of Bosnia-Herzegovina when the Sarajevo Agreement leaves the possibility of the use of other currencies in the Federation?" Bicakcic wonders, referring thereby quite concretely to the Croatian kuna, which remains as a means of payment.

B-H: Commentary Analyzes Problems With Federation Agreement

AU0504163496 Sarajevo DNEVNI AVAZ in Serbo-Croatian 3 Apr 96 p 3

[Commentary by Fadil Mandal: "Ganic Offside?"]

[FBIS Translated Text] The ink on the signatures on the Bosnia-Herzegovina Federation agreement has yet to dry, but reserves and various interpretations of its

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contents have already been voiced. Bozo Rajic, president of the Croatian Democratic Community [HDZ] in Bosnia-Herzegovina, primarily sees drawbacks in the "the very tight deadlines." Nothing new, nothing that we have not already heard in similar situations. The only difference is that Rajic has replaced Zubak as the "duty skeptic."

The remarks on the document made by Edhem Bicakcic, the Party of Democratic Action's [SDA] authoritative vice president, pertain to essential issues and are more serious. The issue of a single monetary system has been only vaguely defined, yet it should represent the basis of Bosnia-Herzegovina's economic and strategic sovereignty.

The situation regarding the Agency for Investigation and Documentation [AID] has again become complicated as Rajic's and Bicakcic's views on the intelligence institution are still pretty far apart. Moreover, the Bosnian side can hardly be satisfied with the proposal for the Federation's flag and coat of arms.

The duty critics have every right to express dissatisfaction with the situation. The question "Wasn't all this the subject of extensive negotiations and talks?" is pertinent. However, several unknown details actually clarify the essence and reasons which make it necessary to "continue negotiations on the already agreed."

Well-informed sources claim that federal Vice President Ejup Ganic contributed the most to the political controversy. Namely, the distinguished professor failed to consult prime ministers Muratovic and Kapetanovic, that is, their government, when finalizing the text of the Federation agreement, nor did he consult the Executive Council of the party which has a crucial role in implementing the federal project.

Despite the fact that the agreement has some fine points, such consultations were necessary if you take into account the fact that the republican and federal ministers, which the SDA appointed, have a major role in implementing the majority of the points in the agreement.

The story behind the proposals for the federal flag and coat of arms best illustrates this point. Although the Constituent Assembly will have the final say, Dr. Ganic should not have allowed the undisputed designer's creativity of Suzana Ceric and Fedja Isovic and their proposal to overrule Zubak's proposal, presented on a piece of paper, because this will inevitably lead to unnecessary conflict between the federal partners on the state symbols.

By obviously trying to get the job done efficiently and quickly, Dr. Ganic has found himself in an unnecessary political offside.

It will be interesting to see how this offside will increase the dissatisfaction of the collective head of state's opposition members—Pejanovic and Kljuic—with the way Ganic is running the Presidency, that is, filling in for President Izetbegovic.

B-H: Zubak Seeks Equal Croat Participation in Sarajevo

LD0604111096 Belgrade TANJUG in English 1102 GMT 6 Apr 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, April 6 (TANJUG)—President of the Muslim-Croat Federation Kresimir Zubak has asked the international community to annul a unilateral decision by the Muslim Party of Democratic Action (SDA) on organizing Sarajevo as a Muslim canton, the Croat radio reported on Saturday [6 April].

In his demand, addressed to the deputy high representative of the international community in Bosnia, Michael Steiner, Zubak proposed to organize Sarajevo as a canton with a specific internal administration and share of power.

Zubak said the city's area should be restricted and that Muslims and Croats should equally participate in Sarajevo's legal and executive bodies, the radio said.

B-H: Muslims, Croats Disagree Over Checkpoints

LD0704162696 Belgrade TANJUG in English 1500 GMT 7 Apr 96

[FBIS Transcribed Text] Belgrade, April 7 (TANJUG)—The Interior Minister of the Muslim-Croat Federation in Bosnia, Avdo Hebib, on Sunday [7 April] told Muslim Sarajevo Radio that the control points in regions under Croat control in the territory of the Federation have not been removed by Saturday's deadline.

Hebib said that under the latest agreement between the Muslims and Croats, signed in Sarajevo on March 30, all control points in the entire territory of the Federation should be removed by April 6.

He claimed that the Croatian opposition has also prevented the realization of obligations from the Sarajevo agreement on the deployment of the federal police along international borders and border crossings in the Muslim-Croat Federation.

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Hebib warned that in keeping with the Sarajevo agreement he would demand international arbitration for the problems caused by the federal partners—Croats.

B-H: Croats Report Muslim Pillaging in Vares

LD0504171096 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1600 GMT 5 Apr 96

[FBIS Translated Text] The Muslim side officially and publicly advocates the Federation, but actions on the ground indicate the extent to which this advocacy is sincere. Over the past few days Croat houses have been plundered and set on fire in Vares, as they were in Bugojno and Travnik. Croats are prevented from moving around freely, and cases of Croat civilians being beaten up have been registered. Goran Sreckic has further details:

[Begin Sreckic recording] As the session of the Vares transitional municipal council draws nearer, the Muslim authorities are taking actions that cannot be characterized other than being a declaration of a kind of state of war. There is general chaos in the town. The Muslim side neither wants or is able to prevent this. The burning down of Croat houses and the plundering of property are taking on unprecedented proportions.

On Sunday evening, one house was burned down and last night another house was burned down in the Croat village of Tisovci. This latter place was only separated from an illegal Muslim checkpoint by a road, so you do not have to look far to find those guilty of the arson. Firefighters were called, but we have learned in conversations with one of them that they were called too late.

We have to point out that in this location Croatian houses are being used to accommodate Muslim formations that are currently being demobilized. They are leaving and in the process taking with them everything they can carry.

One Croat was beaten up in Vares-Majdan, and this morning, without any reason, from a checkpoint in Vares-Majdan, which according to the Sarajevo agreement should not exist, a vehicle belonging to the HVO [Croatian Defense Council] was turned back and the driver had his driving license confiscated.

A letter has also been sent to Kresimir Zubak, president of the Bosnia-Herzegovina Federation, and IFOR [Implementation Force], which has already visited the part of the municipality that is controlled by the HVO, has been informed of everything.

We have learned from sources close to the self-styled war presidency in Vares that they are conscious of the fact that they have come up against a wall, and that the forthcoming session of the Vares transitional municipal authorities will be unable to deliver what they have been fighting for by the dirtiest means for over two years now.

And this is why they are doing everything to discourage those Croats who intend to return to their homes and those who have dared to stay in them.

The Croat people of Vares are a dignified and proud people who find such provocations both comical and scornful. But all patience and tolerance has its limits and this should be borne in mind. [end recording]

B-H: Presidency Endorses New Forum, Honors Brigade

AU0604164696 Sarajevo VECERNJE NOVINE (European edition) in Serbo-Croatian 6 Apr 96 p 2

[BH PRESS report: "United States' Involvement Supported"]

[FBIS Translated Excerpt] At its session presided over by Vice President Ejup Ganic, the Presidency of the Republic of Bosnia-Herzegovina discussed the report on the founding of the Forum for the Federation and supported greater involvement of the United States in the implementation of the Dayton Agreement. At the same time, the Presidency demanded that all the signatories of the document and the participants in the Dayton become more active in the implementation of the agreement. [passage omitted]

With the decision of the Presidency, the 4th Brigade of the 4th Corps of the Army of Bosnia-Herzegovina was given an honorary name and as of today it will be called the 4th Glorious Brigade. [passage omitted]

B-H: Tuzla Residents Complain About U.S. Soldiers

AU0604204096 Hanau NOVA BOSNA in Serbo-Croatian 4 Apr 96 p 9

[Article by M. Mukic: "String Beans in the Town's Parks 'Have Had It'"]

[FBIS Translated Text] Tuzla, 3 Apr—During the war, the residents of Tuzla used every available inch of land to grow vegetables, which were worth a fortune during the time of blockade. All of the town's parks were dug and the green areas were turned into vegetable gardens. The authorities did not object; they even parceled out lots to save as many people as possible from starvation. The digging of parks has ended as there is no longer hunger. The town authorities have launched an action to restore Tuzla's prewar look. They were helped in that by the Dutch, who donated 500,000 rose seedlings. Repair work is also being carried out on the town's main and auxiliary roads. Some 500,000 DM [German

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marks] will be invested in this. The residents understand all this and are zealously helping the communal services to remove the garbage that can be found on every corner. At one time UNPROFOR [UN Protection Force] also participated in this. They provided fuel and trucks, sometimes even their soldiers. This is why the soldiers from the Nordic unit used to enjoy good a reputation here.

Instead of the Swedes, Norwegians, and Danes we now have here the Americans, who ignore the efforts to make Tuzla a nicer and cleaner town. With their heavy military trucks the Americans are literally "plowing" everything wherever they go, without anyone being able to stop them. They have destroyed the roads with their vehicles as they are not adhering to the suggestions by the municipal organs to use the so-called southern bypass, that is, the transit road through the town. IFOR [Implementation Force] is "hitting" everything, which is unfortunate and troubles the residents of Tuzla. The straw that broke the camel's back was the parking of the vehicles in Tuzla's main square, on the green island that divides two road lanes. In the presence of many astounded residents of Tuzla, the drivers drove their vehicles on the raised circle in the square, which has always been a well-kept part of the park, squashed the grass and flowers, cocked the heavy machine guns on top of their vehicles, and started to watch calmly what was happening around them. Then another "frog" climbed on the "islet" and did the same thing, but only turned its "Broving" toward the other part of the town. Who were the Americans threatening? Or was it only a routine exercise? What we know is that thick tires had left deep craters in the Tuzla park.

B-H: Krajisnik Confirms Serbs Have Released 'All POW's'

LD0704203096 Pale Srpska Televizija in Serbo-Croatian 1830 GMT 7 Apr 96

[FBIS Translated Text] The Serb Republic has released all POW's apart from those suspected of being war criminals, Momcilo Krajisnik, the speaker of the Serb Republic People's Assembly, has said.

Dragan Bu'ajic, the chairman of the State Commission for the Exchange of POW's, has handed documentation on persons suspected of war crimes to Carl Bildt's office.

B-H: Bosnian Serbs Transfer War Crime Suspects to Pale

LD0804115496 Belgrade TANJUG Domestic Service in Serbo-Croatian 1037 GMT 8 Apr 96

[FBIS Translated Text] Pale, 8 April (TANJUG)—The Serb Republic authorities have transferred 16 POW's to Pale suspected of war crimes against Serbs in Bosnia, Goran Neskovic, deputy justice minister of the Serb Republic, told TANJUG today.

The Muslims and Croats suspected of war crimes were first grouped in Banja Luka, and then transferred to Pale at the request of Michael Steiner, deputy to Carl Bildt, high representative of the international community for Bosnia. As Pale does not have a prison, the POW's have been accommodated in the reception center in the local high school, Neskovic explained.

He added that Steiner had been persistent in insisting that the POW's suspected of war crimes be grouped within 30 km of Sarajevo; the nearest prison in the area is in Srbinje [Foca], some 80 km southeast of Pale.

The ICRC [International Committee of the Red Cross] representative in Pale, Lucie Sternthal, and representatives of IFOR [Implementation Force] visited the suspected war criminals immediately upon their transfer to Pale, Neskovic said.

He confirmed that the evidence against 16 POW's suspected of war crimes against Serbs in Bosnia had been passed to the Hague tribunal yesterday.

According to the statement issued by Carl Bildt's office in Sarajevo, the Serb Republic authorities presented the evidence for 13 registered war crimes suspects and three unregistered persons. It is said that files for three more prisoners registered with ICRC are missing.

It is still not known whether the confusion around three POW's will be the reason for the Serb side to be excluded from the donors' conference for the reconstruction of Bosnia, which is beginning in Brussels on 12 April. Carl Bildt, who is visiting Tokyo, has said that the decision on this will be reached on Wednesday [10 April].

B-H: Conclusions of RS Assembly Session Reported

AU0704205696 Banja Luka GLAS SRPSKI in Serbo-Croatian 4 Apr 96 pp 1, 3

[Report by SRNA: "Integration With the Federation—Impossible!"]

[FBIS Translated Text] Sarajevo, 3 Apr—The Serb Republic [RS] Assembly in Pale last night adopted several draft laws and ended its 58th session.

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The deputies adopted draft laws on RS radio television, amendments to the Law on Arms and Ammunition, and a proposal for establishing a program for 1996 statistical research that is of interest to the republic.

The deputies also adopted the Proposal for the Founding of Joint Stock Companies for Mobile Telephone Systems.

The Draft Law on Amendments to the Law on the Public Information System also went through the assembly procedure.

The Draft Law on Official Usage of the Language and Script was redrafted and submitted for debate, while the Draft Law on Amendments to the Law on Territorial Organization and Local Self-Adminstration was tabled, and will be on the agenda of the next assembly session.

The RS Assembly—whose session was attended by two independent deputies—also adopted the proposal of the government and the Serb Democratic Party [SDS] deputies' caucus on decorating President Radovan Karadzic.

In accordance with the adopted proposal, President Karadzic will be decorated with the Nemanjic Order, the Njegos Badge of the First Order, the Mercy Cross Order, the Meritorious Medal of the People, and Karadjordje's Star.

Commenting on RS President Radovan Karadzic's address, Refugee Minister Ljubisa Vladusic warned that certain municipalities were not observing the Law on Abandoned Property and the Refugee Law.

He stressed that the government still did not have a complete picture of the situation on the ground, since the available data were incomplete due to the exodus from Serb Sarajevo and migrations from Mrkonjic Grad and Sipovo.

"Another 50,000 questionnaires need to be processed, after which we will know the structure of the refugee population in terms of age, qualifications, and so forth," Vladusic said.

He said that 50,000 refugees will be accommodated with the aid donated by the government and the UN High Commissioner for Refugees for the populations of Mrkonjic Grad and Sipovo.

The minister expressed hope that some 50,000 housing units would be secured in the next three months, which will provide accommodation for 200,000 refugees and displaced persons.

Commenting on the meeting in Oslo, Vladusic said that he had managed to secure equal status for refugees and displaced persons. He stressed that one of the forthcoming government sessions would review the problem of refugees and their accommodation.

Toward the end of the debate on his address, Radovan Karadzic clarified certain points for the deputies, and called for unity in conducting state policy.

President Karadzic stressed the need for more efficient work by the customs services and the police, and warned that "each government or municipal assembly move at this point is part of the election campaign."

Addressing the implementation of the Dayton accords, the RS president said that the state must maintain its identity and make it clear to representatives of the international community that its integration into the Croatian-Muslim Federation was impossible.

Invited to do so by Dr. Karadzic, Foreign Minister Aleksa Buha also addressed the deputies and explained the RS diplomatic position in contacts with representatives of the international community.

RS Prime Minister Rajko Kasagic stressed in his address that the state's foreign currency reserves had increased by 13 million German marks [DM].

After reminding the deputies that the RS had sustained war damage amounting to DM15 billion, and that industrial capacities were working at 4 to 8 percent of their potential, Kasagic said that after the suspension of sanctions contacts had been intensified with international financial institutions regarding the country's recovery.

According to him, a request was in preparation for the European Fund for Social Development which will be submitted by 15 April, as well as 2,700 programs for the reconstruction and revival of companies, which should receive a part of the donated funds.

"We have agreed on a $100 million investment loan with the Greek Government. A small part of the loan will go for mass consumption; we are also preparing data for the IMF and the World Bank on the basis of which we will request development and reconstruction funds for the RS," Kasagic stressed.

He reiterated that contact had been established with the British and French Governments, and the European Union was ready to send a team of experts to the RS to help prepare the loan application.

According to Kasagic, the Greek Government offered to organize and pay for a convention at which RS experts would be acquainted with international financial regulations and standards.

The RS has also agreed on forms of economic and other cooperation with the Serbian and Montenegrin

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governments; a payment system has been established, and a single monetary policy agreed.

Lower Taxes

Kasagic said that agreement had also been reached on customs policy, which will enable the import of goods without paying customs and excise duty and taxes into the Federal Republic of Yugoslavia and RS budgets; the FRY government would also finance the training of customs personnel.

Addressing economic relations with the Bosnia-Herzegovina Federation, Kasagic stressed the repair of the electricity grid and railroad tracks in the Krajina area, water supply, and the establishment of a monetary unit once commodity trade is established. Customs policy will also have to be coordinated.

As far as the implementation of the Dayton accords is concerned, the government has established successful cooperation with the interim commissions headed by Carl Bildt, and commissions for the protection of human rights and cultural heritage, refugees, and public corporations, Kasagic stressed.

He reiterated that all international representatives with whom the government had established contact had gotten the impression that the RS has been organized as a legal and institutional state.

In order to increase the efficiency of the RS economy, Kasagic said that the government had lowered income taxes from 30 to 16 percent, and abolished the army tax which had been 10 percent. The government also abolished taxes on comprehensive income from 3 to 5 percent, as well as the tax on financial transactions which used to be 2 percent.

Thirty-six state-owned companies have been granted a postponement in tax payment up to 10 million dinars. Overdue salaries for five months in 1995 would be paid out to budget beneficiaries, families of killed troops, and war disabled, Kasagic said and added:

"The minimum wage has been increased to 70 dinars, and salaries will be paid out to budget beneficiaries for January and February of 1996, as well as pensions for these same months increased by 32, that is, 16 percent."

Kasagic mentioned that DM5 million had been earmarked for the Serb Sarajevo assembly for activities already implemented, while DM2.3 million had been earmarked for RS radio television, and another DM2 million for the Interior Ministry.

"Three thousand metric tons of oil have been secured for spring sowing at 2.9 dinars a liter, and 7 million dinars in loans for artificial fertilizer. Another DM10 million have been secured for payment of army bonds," Kasagic said in his address. [sentence as published] In the part of the discussion regarding the current political moment in the country, RS Assembly deputies devoted particular attention to the situation in the economy, agriculture, and refugee problems.

Deputy Dragan Djuric's address was the sharpest. Djuric on behalf of the Prnjavor SDS Municipal Council asked for the prime minister's resignation and reconstruction of the republican government.

Economic Improvement

Djuric explained his demand with "the tragic economic situation" and accused the government of "trading and doing jobs which are in the domain of economy, instead of running the state administration."

"We cannot tolerate the prime minister's statements regarding the changed state policy, because they are confusing people on the ground, and even the deputies have not been acquainted with them," Djuric warned and added:

"No one has the right to say that they will sacrifice someone for state interests, because if he has President Karadzic and General Mladic in mind, he must understand that they are the symbols of this country."

RS Assembly deputies supported President Radovan Karadzic's and Prime Minister Rajko Kasagic's addresses.

The Assembly tasked the government with preparing a program for the protection and care of displaced persons, and their compensation and equal status with the local population.

The deputies authorized the president to sign the Protocol of Establishing a Payment System and Economic Cooperation with the FRY.

The deputies also supported the formation of a commission for cooperation with the international community. All officials representing the RS should be authorized by the president and should act in accordance with the assembly's stances.

The president of the republic is obliged to coordinate the position of the negotiators who represent the RS in talks with the international community and representatives of the Croatian-Muslim Federation.

The assembly tasked the government with drafting short and long-term plans for reviving production, and stressed that the short-term plan must include the completion of spring sowing.

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The deputies assessed the issue of arbitration for the Brcko area as the RS's priority political goal in the coming period.

The assembly also concluded that all issues discussed as part of the debate on the current political situation—privatization, border security, electric power, and others—have to be urgently dealt with at the appropriate level.

If this is not possible, they will be discussed at the next assembly session.

B-H: Serb Official: Brcko To Remain in Serb Republic

LD0704163296 Belgrade TANJUG Domestic Service in Serbo-Croatian 1415 GMT 7 Apr 96

[FBIS Translated Text] Doboj, 7 Apr (TANJUG)—Milan Ninkovic, defense minister of the Serb Republic, said in Doboj today that Brcko will remain in the Serb Republic and that there can be no doubts about it.

Under the Dayton agreement, the zone of Brcko and the town itself belong to the Serb Republic, Ninkovic said, and stressed that, in the case of this area, only the separation line between the Serb Republic and the Muslim-Croat Federation can be negotiated.

The separation line must not be closer than 20 kilometers from the town, and in this zone 0.5 percent of the territory the Serb Republic still lacks has to be made up for, Ninkovic said.

"This is a matter for arbitration and if a different agreement is not reached in the course of arbitration, the situation in Brcko area will remain as it is now," Ninkovic said.

"Our people should be calm and there should be no problems with Brcko," Ninkovic said paraphrasing Carl Bildt, high representative of the international community, who had said that the present situation in the zone of Brcko will stay the same if during the arbitration its participants did not agree on the change of territorial delineation.

Ninkovic pointed out that the issue of Brcko could not be resolved at local or regional, but state level only.

Commenting on the Bildt's statement that the Serb Republic will not take part in the donors' conference if it did not release all POW's, Ninkovic said it was unreasonable because a new war might break out if the international community did not invest funds in the reconstruction of the Serb Republic.

B-H: Church Denies Offer of Asylum to Karadzic

AU0804102296 Bad Vilbel VESTI in Serbo-Croatian 6 Apr 96 p 40

[Unattributed report: "Hilandar Monastery Is Not for Asylum"]

[FBIS Translated Text] The Serbian Orthodox Church [SPC] has no jurisdiction whatsoever over the Holy Mountain (Mt. Athos in Greece), and thus the Hilandar Monastery, and has therefore not offered asylum in Hilandar to Bosnian Serb leader Radovan Karadzic. This was stated by a senior SPC representative for BETA agency, denying a report carried by some agencies yesterday citing MONITOR.

The SPC representative explained that every visitor to the Holy Mountain must have the consent not only of the SPC but also the Ministry for Northern Greece in Salonika. A longer stay is only granted to monastery novices, who later, as monks, attain the right to obtain the Greek passport. He said that the stay or visits by religious persons also requires permission from the Istanbul Patriarchiate.

According to the SPC representative, although the Holy Mountain enjoys autonomy, it is subject to Greek sovereignty and laws, and there is therefore no possibility of any monasteries offering political asylum to anyone.

B-H: IFOR Proposes Compromise on Disputed Sarajevo Suburb

AU0604133296 Paris AFP in English 1254 GMT 6 Apr 96

[FBIS Transcribed Text] Sarajevo, April 6 (AFP)—NATO officials have proposed several "compromise" territorial swaps in the last disputed suburb of Sarajevo, a NATO spokesman said Saturday [6 April], after Serb and Moslem negotiators failed to agree to land swaps themselves.

Major Simon Haselock said officials of the NATO-led peace Implementation Force (IFOR) had put the proposals at talks that ended in Sarajevo late Friday.

The talks concerned the district of Dobrinja which is split between Moslems and Serbs under the terms of the Dayton peace treaty.

In order to allow the Serbs access to the Sarajevo airport, negotiators at Dayton drew a line through Dobrinja, the frontline suburb which borders the air base.

Two apartment blocks are run through by the boundary line which splits the Republic of Bosnia in half between a Moslem-Croat Federation on one side and a Serb Republic on the other.

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The warring parties have held 16 meetings under NATO auspices to settle territorial disputes.

Points of disagreement over several villages in eastern Bosnia were either agreed or near settlement but on Dobrinja, the parties "were unable to reach agreement" Friday, Haselock said.

The spokesman refused to say what the NATO compromise proposal for Dobrinja was but said it involved changes in the boundary line of just "tens to hundreds of metres, no more," he said.

He said a further meeting would be held on Wednesday next week, with a visit to Dobrinja on Thursday and a deadline for a final meeting to agree the changes Friday.

B-H: Muratovic Sends Congratulations on Police Day

AU0504180996 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 5 Apr 96

[FBIS Translated Text] On the occasion of tomorrow's holiday of 6 April—Police Day, Bosnia-Herzegovina Prime Minister Hasan Muratovic sent the following congratulations to Interior Minister Avdo Hebib:

Allow me to congratulate you and extend my best wishes to you and all the employees of the Ministry of Internal Affairs on the occasion of 6 April—Police Day.

On this occasion, I would like to pay tribute to the enormous contribution and merits of all members of the Ministry of Internal Affairs for their part in the resistance against the aggression on Bosnia-Herzegovina. In unbelievably difficult circumstances, the policemen and all ministry employees relentlessly performed their tasks in the defense of the country and the protection of the citizens' integrity and property day after day. Together with the members of the Bosnia-Herzegovina Army, the members of the police force represented the bulwark of Bosnia-Herzegovina and with the realization of their professional tasks facilitated the functioning of numerous other state offices. The responsibilities of the Ministry of Internal Affairs increased further with the end of fighting. In a very difficult situation, burdened by uncertainty and security problems, your presence and your work were one of the biggest guarantees of stability and a better future.

B-H: Radio Rounds Up Police Day Celebrations

AU0504183596 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 5 Apr 96

[Report by Jasmin Mesic—recorded]

[FBIS Translated Excerpt] The fourth anniversary of the formation of the Bosna special unit of the Bosnia-Herzegovina Ministry of Internal Affairs was the reason for today's celebration in the Police Hall in Sarajevo. The audience was addressed by Avdo Hebib, minister of internal affairs of the Bosnia-Herzegovina Federation, who, speaking about the merits of this unit, said that the members of the reserve corps of the Bosnia-Herzegovina Ministry of Internal Affairs were the first to defend the motherland. They bore the biggest burden during the first days and then throughout the aggression. On this occasion, letters of thanks were also bestowed on the companies that assisted the Bosna special unit of the Ministry of Internal Affairs as well as the individuals who cooperated successfully with this unit during the war. [passage omitted]

The Bosnia-Herzegovina trade unions and the trade unions of the Bosnia-Herzegovina police also congratulated the Bosnia-Herzegovina policemen on their holiday. You have made yourselves a part of the Bosnia-Herzegovina foundations; you made and you continue to make an enormous contribution in the protection of citizens, their goods, and the social assets. You have demonstrated in the most dignified of manners how the motherland should be defended and what the honor and the bravery of the members of the Ministry of Internal Affairs mean, is written in the congratulations of the Bosnia-Herzegovina trade unions.

There was a reason for celebration in Zenica, too. On the occasion of the police holiday, Besim Spahic, head of Zenica municipality, sent congratulations to Semsudin Mehmedovic, minister of internal affairs of the Zenica-Doboj canton. The congratulations, among other things, state that Zenica was the town in which the legal authorities functioned throughout the war. Apart from the members of our Army, the policemen take the biggest credit for this.

B-H: Srebrenik Police Mark 'Liberation War' Anniversary

AU0504190496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 5 Apr 96

[Report by Senada Becirevic in Srebrenik—recorded]

[FBIS Translated Text] At today's ceremony, Fahrudin Ibric, commander of the Srebrenik public security station, spoke about the activities of the Srebrenik

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guardians of peace and order and their role in the Liberation War to the members of the Ministry of Internal Affairs and the guests present. He reminded them that the police made its full contribution, honorably, responsibly, and with all means available, to the armed struggle against the merciless aggressor and also carried out the public security tasks in all realms of life and work. In fighting for the survival and freedom, a considerable number of the members of the Ministry of Internal Affairs perished, which obliges us to never forget them.

We should also not forget that the members of the Srebrenik public security station represented the first armed formation and that, in the fateful moments immediately prior to the outbreak of the war, they represented the security guarantee for the residents of this municipality. On the same token, it must be said that it was precisely the Srebrenik police who blocked the Tuzla-Zupanja regional road in April 1992, thus preventing a further advance of the men and hardware of the former Yugoslav Peoples' Army from the well-known Chetnik stronghold of Pelagicevo deep into the free territories.

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Croatia: Slavonia UN Administrator Explains Mission

AU0604194796 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 6 Apr 96

[Interview with U.S. General Jacques Klein, "UN Administrator for the Srem-Baranja Region," by Tatjana Lenard, in English with superimposed Serbo-Croatian translation; place and date not given—recorded]

[FBIS Translated Text] [Lenard] Mr. Klein, welcome to Belgrade Television, to the program of the Radio and Television of Serbia. First of all, we would like to ask you what is the most important goal of your mission, the mission of the United Nations, in the Srem-Baranja region?

[Klein] First of all, thank you very much for making it possible for me to be your guest. I think that the most important goal of my mission, the key issue of my mission, is to convince the population that we are very serious and determined to carry out our mission, that the protection of their lives, property, and dignity is real, and that we have authority and military power to carry this out.

[Lenard] How do you intend to accomplish this?

[Klein] As you know, the UN mandate started on 15 January and this mandate is different from the earlier one. We now have the authority to protect ourselves and our mission. We will have 5,000 UN soldiers by mid-May, including tanks, artillery, and the air force. I do not see any problems in that respect. I do not think that anyone would want to challenge us and to threaten us.

My goal is to assure the local population that they will indeed be protected and to convince them to stay with us. There is no reason for anyone to leave the Srem-Baranja region. We indeed believe in creating a multiethnic society.

[Lenard] The economy is also very important for the people to stay in the Srem-Baranja region. What will you do in that direction?

[Klein] I just came back from a journey. I visited Paris yesterday. Before that I was in Rome, Brussels, and Strasbourg. There are funds in the EU and the Council of Europe that could be used for that purpose. The EU gave me ECU5 million that I can use immediately. In other words, we are trying to tell the people that the past is past and that IFOR [Implementation Force] and the United Nations are now in Croatia.

Economic revitalization and improvements in the living conditions are very important. There are loans and investments. Significant funds will be made available. We expect the local leadership to give us ideas as to how to use these funds in the best way.

[Lenard] You are also trying to make the Danube River again usable for transportation. You want to see the borders among the states reopened.

[Klein] Yes. In fact, when you cross the border, when you go from Beli Manastir toward Mohacs [Hungary], you can see that gasoline stations, restaurants, and shops are not working. The Hungarian economy has been severely affected by the events that took place here. When I visited Budapest, the Hungarian foreign minister told me that the borders should be opened as soon as possible, that the river traffic on the Danube should be restored.

As you know, Vukovar used to be the second most important port on the Danube after Belgrade. A section of about five kilometers of the Belgrade-Zagreb highway will soon be reopened near Lipovac. The railroad to Vinkovci will also be opened. If we revive the economy we would bring people back to their work places. The unemployment rate here is 55 percent. Many things would improve. We have international support and capital to achieve this.

But I would like the local population to cooperate with us, with my administration, to help me create conditions for a better future.

[Lenard] What is your message to the population in the Srem-Baranja region, especially to the Serbs?

[Klein] I would say have faith in what we are doing, cooperate with me. Offer me your ideas. I cannot do everything myself. I must know what people have on their minds. This is why I rely much on the local leadership.

My view on the purpose of my administration is that everyone should stay there to get a job. I need them, I need civilian authorities, I need the post, telephone, telegraph, I need all the people. I need their input to help me build the local system of authority that will represent them in the future. In a year or two the local population will take part not only in the system of post and telegraph, but also in the police forces in the system of authority as a whole. They will not be outside that system. We have to build a multiethnic local administration. We can do that. I have the time and I have the authority to do it.

[Lenard] Thank you, Gen. Klein.

[Klein] Thank you.

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Croatia: Tudjman Honors Secretary Brown at Ceremony

LD0604124496 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 6 Apr 96

[FBIS Translated Text] At Dubrovnik Airport in Cilipi today, Croatia bade farewell with the highest state and military honors to its American friends—Commerce Secretary Ronald Brown and his associates—who died in a plane crash on 3 April. This is Davor Mojas reporting from Dubrovnik.

On his arrival in Cilipi, Croatian President Franjo Tudjman, accompanied by top Croatian officials and military officers, expressed his condolences to the families of the victims of this tragic accident, which claimed 35 lives. The ceremony was also attended by top-level Bosnia-Herzegovina Federation officials, U.S. Ambassador to Croatia Peter Galbraith, and Lauri Fitz-Pegado, U.S. President Bill Clinton's special envoy and aide to late Commerce Secretary Ronald Brown.

Following the U.S. and Croatian national anthems, those present were addressed by President Franjo Tudjman.

[Begin Tudjman recording] Mrs. Fitz-Pegado, President Clinton's envoy; Mr. Galbraith, U.S. Ambassador to Croatia; members of the U.S. Armed Forces; ladies and gentlemen, friends from the United States and Bosnia-Herzegovina. On this sad day, when we are bidding farewell to the earthly remains of Ronald Brown and all the 33 U.S. citizens—high-ranking state officials and businessmen—on behalf of Croatia, the Croatian people, and all citizens of Croatia, I wish to express the deepest sympathy to the families of the deceased.

I express my sympathy and solidarity with President Clinton and the entire American people on the occasion of the deaths of Ronald Brown and his associates, who were struck down on the road of peace, on the road of deepening the friendly ties between the United States, Croatia, and the Bosnia-Herzegovina Federation.

As a token of appreciation and in lasting memory of Ronald Brown and his colleagues, I have decided to honor Ronald Brown with one of the highest Croatian decorations, the High Order of King Zvonimir, as well as all the other deceased, whose families will receive the decorations from the Croatian premier, who is to attend the commemoration in Washington.

On behalf of Croatia, overwhelmed by grief over the tragic event, I express the conviction that the mission in which Ronald Brown and the others from the State Department and the business world lost their lives will not be interrupted by this tragedy but will bind us even more to continue strengthening the friendly relations between the United States, Croatia, and the Bosnia-Herzegovina Federation.

Ronald Brown and colleagues! We shall always remember you, glory be to you, and thank you. [end recording]

Croatia: Official Terms Italian Minority 'Smugglers'

BR0504133796 Rome LA REPUBBLICA in Italian 5 Apr 96 p 14

[Article by Mauro Manzin: "Croatian Italians, You Are Smugglers"]

[FBIS Translated Text] Trieste—The Croatian authorities have launched another frontal attack on Croatian Italians. According to the independent Istrian newspaper NOVI LIST, Hrvoje Sarinic, President Tudjman's faithful right-hand man, has used all his powers over Croatia's financial and customs police to accuse Edit, our countrymen's publishing house, and the Italian Union [UI] of being smugglers importing a rotary press from Italy which had been donated as part of the "Mikulic-Goria" agreement of 1989. The fine that the UI will have to pay amounts to 19.5 million kuna, the equivalent of 5.57 billion lire [L], which is practically what the printing equipment is worth.

With the additional machines from Italy installed in Fiume the minority newspaper LA VOCE DEL POPOLO is printed together with the Croatian-language papers NOVI LIST and GLAS ISTRE. These are members of the independent press which until today had managed to avoid the standardization measures implemented by the ruling party HDZ [Croatian Democratic Union] and directed against all Croatian media. Customs authorities in Zagreb are also fining NOVI LIST L1.2 billion for tax evasion.

UI assembly leader Giuseppe Rota and executive president Maurizio Tremul stepped into the fray yesterday [4 April] in defense of Edit. They said they were all the more surprised and saddened by the event since the Zagreb government had initially been in favor of the initiative and had not tried to block it. Tremul said: "Even the central customs office sent us a document on 8 February which stated that goods imported duty-free could be donated to third parties in accordance with the provisions of the law if the purposes for which they were imported remain the same." Edit used the rotary presses for all its publications, and also made them available to NOVI LIST. In this case the Croatian Government had given its permission in 1991.

The UI will now appeal against the decision and is to keep the Italian Government and its diplomats and consuls in Croatia informed. Tremul said: "We

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absolutely have to give this problem an international airing." However, he wondered: "How can it be that Italy gave Croatia a rotary press worth L5 billion and now Croatia wants the same amount out of the UI in the form of a fine?"

The UI leadership is making determined efforts although it carefully avoids to exacerbate what is already a serious situation. Meanwhile, the chief editor of NOVI LIST criticized Sarinic, whom he described as "a man of words and actions who uses his puppets, converts, and party henchmen to destroy everything that falls into his hands."

Croatia: Commentary Claims Kuna Overvalued

AU0504135596 Zagreb VJESNIK in Serbo-Croatian 2 Apr 96 p 3

[Commentary by Ivo Jakovljevic: "NBH Also Claims Kuna Has Been Overvalued 30 Percent!"]

[FBIS Translated Excerpt]The Croatian kuna, as even the National Bank of Croatia [NBH] has officially admitted, is a highly overvalued currency! In the first issue of its Bulletin, edited in the manner of the best analytical issues of the IMF [International Monetary Fund] by Dr. Marko Skreb, the new NBH governor, (when he was the executive director for research and statistics), on page 17 the reader is informed by the text and a graph that the kuna is a seriously overvalued currency by as much as 30 percent. [passage omitted]

Since it was born the Croatian kuna, as one can see in the NBH Bulletin, has been an overvalued currency just as its predecessor, the Croatian dinar, was in the period from October 1993 (when a harsh stabilization and anti-inflation program was started). According to the Bulletin, the NBH's latest discovery is that the Croatian dinar was (10-18 percent) undervalued only in the short period from April to September 1992. Then until August 1993 it was slightly overvalued (by 5-10 percent) and a real mess occurred at the time of the implementation of the shock therapy against the then chronically high inflation, so that since October 1993 the Croatian currency has been seriously overvalued from 29 to 35 percent.

Overvalued Currency—Extremely Dangerous Boomerang

When the currency is undervalued in a country that uses its currency as the medium for imports and foreign loans, prices fall, but along with this there is the weakening of the competitiveness of its own exports, a decline in GNP, an increase in unemployment, and a loss of tourist revenue and budget income, and this is particularly the case when such an overvaluation lasts fr more than five or six months. In most cases the main reason for the overvaluation of the exchange rate is excessive public consumption, which as time passes influences the spreading of the deficit to the balance of payments as well as to the government budget itself. Unlike overvaluation, an undervalued currency strengthens export competitiveness, particularly in tourism, results in a balance of payment surplus and a growth of foreign currency reserves but also in a decline of wages in real terms. In the long run it is also harmful because it stimulates investment by domestic entrepreneurs abroad and thus opens the door to recession.

The solution for a chronically overvalued currency and its harmful consequences (all imported goods become cheaper; there is widescale smuggling; domestic supply is in ruins; domestic funds leak away to foreign countries; and the recession grows increasingly deep), many citizens and economists see either in devaluation (in case of fixed exchange rates) or in a "softer" monetary policy, that is, in controlled depreciation, that is to say, letting the exchange rate slide (in case of floating exchange rates). In contrast, as a rule, the government claims the opposite and seeks to prove that an overvalued currency is an excellent thing. However, both in theory and in the practice of many modern countries, there are contradictory views and a variety of experiences comparing devaluation and depreciation, and even a stubbornly persistent desire for the status quo. [passage omitted]

Conditions for Devaluation

Sooner or later a change in the exchange rate is inevitable, and the sooner it happens the smaller and more successful it will be. But to guarantee success in any of the scenarios, certain precise conditions should be fulfilled. Otherwise, devaluation can bring only new serious damage: inflationary chaos, speculative domestic and foreign hot money, and, finally, a fresh decline in GNP. First, public expenditure must be significantly reduced because it is the main cause of overvaluation. Then one can either extend credit (on behalf of exporters) with appropriate depreciation or devaluation, which will force the investors to sitch from imports to exports.

In that, it is important that the wages in the public sector remain nominally fixed, that is, that the trade unions, in agreement with the government, accept a short-term decrease in real wages in the long-term interest. Is there anyone we should remind of the basic truth—every successful devaluation reduces real wages! [passage omitted]

Therefore, it seems, the time has come when both the exchange rate policy and the comprehensive economic

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policy must be analyzed from their very foundations. Because, now that a stable peace has been established, some essentially new business circumstances have appeared, which raises a number of questions. The real opportunity for that is now, when negotiations of the Croatian Government with the London Creditors' Club (commercial banks) and the IMF about the new three-year agreement on extended cooperation is entering its final stage.

Had Croatia by any chance had to return regularly all its inherited debt to both the Paris and London Club, one German mark could hardly cost less than seven or eight kunas today. However, there was a mutual interest to slow down the payment of matured debts and to start the procedure for their rescheduling. After all, a strong or overvalued kuna has partly facilitated raising funds for Croatia's defense and even the maintenance of production in a highly dependable economy.

Croatian Theory and Practice in Oxford

Nowadays the Croatian Government itself has to observe very closely, take into account all the calculations and speculations, and find an answer to this question—with what kind of exchange rate policy can it best achieve its strategic objectives: dynamic growth in the long term; a successful tourist season even this year; reconstruction and growth of employment in 1996, and particularly in 1997; growth of exports (at a double-digit rate!); revitalization of domestic food supply; financial rehabilitation of the banks; favorable repayment of foreign debts; further strengthening of defense; and holding annual inflation below 10 percent. [passage omitted]

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FYROM: Deputy Prime Minister Miljovski Interviewed

AU0504202396 Skopje PULS in Macedonian 5 Apr 96 pp 21-22

[Interview with Jane Miljovski, deputy prime minister, by Eleonora Karanfilovska; place and date not given: "Each One of Us Is Carrying Europe"]

[FBIS Translated Text] [Karanfilovska] If we look at your statements before you left for Brussels and immediately afterwards, we can note that there was a significant difference in what we could call your impression before and after the discussions in the European Union, mostly concerning the regional approach and the evolutionary clause, with which we were very much engaged in the press. What is the reason for this change, if there has been any at all?

[Miljovski] I am not sure whether there is actually a change because what I was afraid of then... [changes thought] This is the problem in every kind of negotiation with the European Union. They are the most complicated for me because you don't negotiate with the one who makes the final decision. There is always a mediator between the negotiator and the decisionmaker. This means that if you persuade the one who is negotiating, he will tell you: "Yes, but I have other orders." The problem is whether he will communicate with those who have made the decision (sometimes they make decisions for political reasons and sometimes because of a lack of information). You think you are negotiating, and you are not sure what the effect is on the people, and this is what scared me then, and this is what scares me now. However, I am in a little bit better mood because the positions that scared us most were not repeated at all, referring to our inclusion in some federations, alliances, new alliances, customs unions. We were told this from an official place. Since they declared this, I asked them to put it in the text. It gives me reassurances that we may possibly come to closer stances between both delegations. The question of regional cooperation is not a problem for us. The problem is whether some ideas for some old states or for the renewal of the old ties are being spread. This is what made me optimistic.

Concerning the evolutionary clause, I do not have a reason to be optimistic because I do not believe that we will be able to accomplish anything here. The reason is not because we did not manage to persuade somebody or not. We are faced with a situation in which the Union is having its own settlement of accounts. Unfortunately, there are obvious zigzag steps in its policy—for some time, it was totally closed and unprepared to expand to new eastern countries. Three to four years ago even NATO was totally closed.

[Karanfilovska] So you have an evolving partner?

[Miljovski] Yes. It seems that there is an interest in NATO for the inclusion of the former socialist countries in a larger collective security system, to which Russia is strongly reacting. There is a slightly different trend with the European Union. In the beginning, they had some reservations, but then they opened up and signed agreements for cooperation with Romania, Albania, and normally with Poland, the Czech Republic, and with others. Now, all of a sudden, there is another reiteration—where are we heading, how much are we going to open—which puts the Union again into the position of thinking about the way in which it is going to do this. This makes sense also because of the unsolved problems in its own narrowest core—England, France, Germany. The British view is constantly changing. Britain can never say that it will join the Union fully. The oscillations in the stances concerning some issues create one or another stance that is backed by the main partners, either by France or by Germany, while the others always have fewer counterarguments. Apparently, with the evolutionary clause we are facing the same problem they are about how far the discussions in their own countries, in their governments, will reach. I think that what we are proposing, if reason prevails, can be acceptable for them—that is, further inclusion would be in conformity with some accomplishments, and not automatically, as has been sometimes the case.

[Karanfilovska] Is it possible because of some previous promises of this kind to some other countries that we are now facing the problem of evolutionary clause?

[Miljovski] They have really been promised association status, but it can be rejected as well. If the European Union sticks to what it has constantly said, in some cases it can postpone the act of association. Why? A lot of financial means have been spent in the Union to equal the level of development in Greece, for instance, with the level of the Union. A lot of funds were spent in Portugal, and similarly in Spain. If the same treatment continues in supporting countries, so as to have a mean outflow from the Union over the next 10 years, it will simply not be able to endure it financially. I think there will be internal disturbances leading to a multiphase association. I do not believe it will be as painless as it may seem at first sight in the agreements on cooperation that have been signed. I think that the 15 countries that are now representing the Union will make the strong core, while the others will sooner or later, this way or another, establish some scales.

[Karanfilovska] You do not sound optimistic.

[Miljovski] It has nothing to do with optimism, but realism, as well as whether our interest has been

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evaluated adequately. Is our interest in becoming a member of the Union? Yes. If you ask when, the answer is when we are ready. This means that if we can count on the sum of money that has been spent for Portugal or Spain, for instance, would it not be wonderful? Nevertheless, I do not believe that this can be applied to anybody, not even us. If we do not expect this, and if we insist on joining the Union at any cost, it could cause large expenditures inside our own country. We have to adjust our system to that of western Europe. In simple words—the richest countries in Europe are members of the Union, and they have a system that complies with their wealth. If a poor country tries to establish the same standards, it will be too expensive. This can only be overcome if financial support arrives from the Union. If you know that the Union is faced with it own difficulties and cannot afford additional expenditures, the question is whether we have to hurry that much with the adaptation of all the systems to the European standards.

So the association with the Union has more to do with what we are planning to do inside the country. We have to Europeanize Macedonia and the Balkans. By Europeanizing them, we place Macedonia closer to the Union. If we manage to fulfill concrete actions and achieve concrete successes here, I think those who are ready will advance in signing the agreements.

[Karanfilovska] Because of the whole process of transition, when we spoke about Europe it meant that we put it in a political context, as a democratization of society and thus Europeanization of the state. There were not any dilemmas about the determination and the association of the state.

[Miljovski] There are no such dilemmas now, either.

[Karanfilovska] What kind of Europe do you promise to us?

[Miljovski] This Europe is carried inside of every one of us as one's own experience. You are right to say that we had mainly concentrated on democratic freedoms and customs that are typical for western Europe (although there are differences among the countries), on citizens' freedom, on the freedom to express different opinions, to organize political life, political struggle, on protecting different opinions—this is what we had in mind when we spoke of Europe. However, for me as an economist, Europe has another meaning in another field, which is the European market. In addition to what we had in mind as the political part that had to be changed in the country, entering the European market is an essential element in the possibilities for development. Particularly for Macedonia, because during the last 40 to 50 years, Macedonia had been developing with the idea of a market for 22 million people. This market is now gone. Obviously that market of 22 million people is not a very big market today, considering the technological development. We have to be oriented toward a bigger market. We have now unobstructed possibilities for finding ourselves in this bigger European market. The opening of this market is more than just necessary for us, and more than just a condition for further development. However, the opening of this market contains another component—the opening of our market for their products. This competition will imply a ready economy for competing at world prices and world quality. This is why I say that it is an illusion to expect an immediate and full inclusion in Europe. Even if economic laws are overcome with political will, it will cause a range of disturbances that are not always going to be easy. If there is not serious financial support behind this, the inclusion will not come easily.

[Karanfilovska] Do you know how big this financial support has to be for Macedonia?

[Miljovski] Nobody has done it here with us in a scientific manner, and it is impossible to calculate it exactly. There are two components. The one is to change the system, the way of thinking, the way of decisionmaking, a vision on whom you are selling to, how you are selling it—so you must make contacts. This is not easy to calculate, and it is of great importance in the economy. The second component is to lift the level of technology to the European level. It is difficult to calculate the price for restructuring. Another element is that even if someone promises to do this for you, I will be skeptical. Why? I think that the assistance from abroad is very good and helpful, but actually the country must start thinking and preparing itself for a different manner. If this change does not happen, no matter how much financial support arrives from abroad it will not be used appropriately. There is a whole range of examples of countries (I will not name them now) that received a lot of support but did not manage to use it properly, contrary to Germany, for instance, which managed to use the Marshall Plan in the best possible way and to reconstruct industry and become a superpower. However, it is not only the money that some give that is in question, but also many particularities of the country that has to use this money. There are no magic wands. With the signing of the agreement, we are opening our access to the western European market, we are calculating the exact sum of money that we can withdraw under different conditions, but we are also opening a gradual development of programs that will help the country in this development, and that will make it possible for it to advance. In the last five years, all the laws that have to do with

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the area that is of interest to me are oriented toward the European recommendations. In many areas, we are closer to European standards than some West European countries that are still relying on their old laws. This is one level. Nevertheless, the national income per capita has to be increased to a level in order for us to be integrated. You can simply not say that now our laws are all right, that our democratic practice is all right, so we are in Europe. Among the rest, Europe implies a certain level of standard, and we have yet to reach this standard. How? Will anybody present it to us as a gift, or do we have to earn it? It is quite improbable that somebody will take the money away from the western European citizen and give it to us. It would be nice, of course, but impossible. So we have to change our labor behavior and standards, and so on, so as to reach a per capita income that would be similar to the ones in some of the European countries, even if they are the poorest ones.

[Karanfilovska] I will now go back to the discussions that you had in Brussels and their continuation in Skopje. Although you were very present in the mass media, there are many details missing. Before your departure, you said that the main part of your negotiations would be in reference to the political segment. Has this been completed, and will you go to the second phase, that is, the economic segment, or are the discussions being carried out simultaneously?

[Miljovski] I find your question incorrect because the date for the end of the negotiations has been fixed—28 May. Until then, we will be negotiating, and stances will be changed on both sides, so I cannot tell you that something has been completed when the gentlemen told us that what we said was interesting and that they were going to proceed with it further on. I ask you to be more precise and to explain what you mean, if you can. Be my guest!

[Karanfilovska] I will not be your guest, but my question was whether after the first round you had the impression that you would have more work to do in the economic segment.

[Miljovski] I cannot classify the quantity of work ahead of us. I mean in hours. I think the negotiations in the political segment will be difficult, but also those on every particular product in the economic segment. We cannot foresee the speed. A number of the difficulties will be revealed in the end—let me tell you what happened in Brussels. I do not intend to overemphasize it, but to a certain degree the European Commission was caught up by our concrete platform on some problems, and it said that discussions on this would be held in Skopje, meaning that they neither accepted nor rejected it, but simply that discussions will be continued in Skopje.

As for the political segment, we exposed our views and arguments, against their views, and they did so as well. There was a rapprochement in the stances. In this sense, I will not give it a negative mark, but as long as we do not agree on the future steps, I cannot say now whether what we achieved was good or bad. Matters may change many times before the signing. We simply negotiated. There are neither classic winners nor losers. It has to do with a gradual rapprochement in the stances. I suppose that a classic ideal for negotiations are negotiations on trade. When you negotiate in this segment, the one that is selling is trying to obtain the highest price, the one that is buying the lowest. In the end, they will see who went off in better shape. As for the kind of negotiations that we had with the European Union, you cannot judge who got more. If there are not any exclusively negative stances, and they are not to be found, we are the ones that are gaining. We are joining a community. We want to accomplish in the negotiations the following: to join in a way that is most appropriate for our interests, needs, and level of development. Considering our views, the Union is offering us an agreement on cooperation—so this is cooperation, this is friendship, this is help, and not unfriendly relations. There were some matters in this agreement that we thought inappropriate to our interests. We tried to change them during the negotiations. If we eventually agree, and I do not see any reasons why we should not agree, it will be good for Macedonia because we will come closer to the Union, we will have access to its market, and we will cooperate with the most important political and economic factors in Europe. So the classic question of "optimistic" or "pessimistic" cannot be applied in this case.

[Karanfilovska] I would like to ask you a question that has been dragged around in the mass media considering the structure of the Union and Greece's membership in it, and in relation to the problems about the name that we have with this state. Did this arise as a problem this time?

[Miljovski] It did appear as a problem, and it will continue to do so. There are negotiations in New York with Greece, to which we are committed by the Interim Accord. We reacted to the way in which the European Union refers to us in the text—"former Yugoslav Republic of Macedonia." They are taking this into consideration, but they are mentioning the New York negotiations as something essential, but we have not yet agreed on this part of the agreement. We said that the term "former Yugoslav Republic of Macedonia" has been accepted in the United Nations for an interim period, and that we do not have such an agreement with

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the European Union. However, I believe that a solution to this question will be found. I do not believe that the negotiations with the Union will have to solve the question of the name. They do not have such a mandate. We have a constitutional name, and I do not believe that they will refuse to sign an agreement in which it is not so. It is a different matter whether we can make the other side change its view. Perhaps an outcome will be found that will not force both sides to give up their views.

[Karanfilovska] I would once again go back to this famous regional approach, perhaps because we did not understand exactly the idea of the Union, in which it proposes a degree of regional and good-neighborly cooperation among the countries in this region. Can you tell us how it was explained to you?

[Miljovski] It was explained to us at the European Union that they did not have any intention to revive some federation, or force us into separate unions with anybody in the region or with neighbors. However, this has nothing to do with alliances, but with joining the Union in a basket together with the other countries of the region. We are struggling not only against a revitalization of a Yugoslav federation, but also against a group assessment of a number of countries, that is, whether they fulfill the conditions for admission, after which they all go to a higher level. It was explicitly said that they did not have any such intentions. We exposed our view that if what we had been told orally would be later written down in the text, we would have no problem. It means that whatever has been officially said by them and by us reflects close views, but what has been written down does not correspond to the oral discussions. We must now transform the discussions into text. The discussions were all right.

[Karanfilovska] In conclusion, something that is not connected with the negotiations, but it would be interesting to hear your opinion on what the journalists called the creation of USSR-2 and the renewal of previous economic links, first of all among some of the members of the former Soviet Union, in a manner similar to relations in the Union, as some of the creators tried to explain it. Do you believe that such a new common market can be expanded as a counterbalance to the Union?

[Miljovski] I would not go that far in analyzing this, but I would just look at our interests. Our interest is undoubtedly directed toward Europe, to cooperation with the United States, and NATO. Privately, I will comment that the Soviet Union did not break up accidentally, and therefore I believe that its revitalization is an illusion. Nevertheless, I would not worry about it so much because I think that we have to construct our relations with partners that we ourselves choose, and they are western Europe, the United States, and NATO.

FYROM: Government Accused of 'Political Dictatorship'

AU0504160296 Skopje DELO in Macedonian 5 Apr 96 p 9

[Commentary by Vlado Mokrov: "The Police Against the People, People Against the Government"]

[FBIS Translated Text] The people in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], (unlike everywhere in the normal world, the term citizens is losing its meaning here because citizens are either undefined or unidentified) do not believe that democratic processes are advancing. They do not trust the judicial system, and they do not trust the police. Pardon me, according to the latest opinion polls, the Macedonian police are only trusted by those who have retired (although only by half of them).

The people in Macedonia, in masses, have finally signed and are still signing for early, extraordinary elections, and thus they are, in fact, declaring themselves against the present government. So, they have finally shown that they are fed up. The policy that has been conducted in the past few years inside the state has driven the ordinary man to the edge of existence, and it has also taken away from him every possibility of any amelioration—at least in the near future. Furthermore, it has exposed the people to maltreatment and put them at the mercy of illegal police actions and court injustices.

The former interior minister, in his particular style, often used to boast that he was creating a modern and efficient police force in the service of the citizens. In the meantime, it is no secret that the biggest plundering in Macedonian history was under way, by which the people in authority, or their close associates, obtained the greatest wealth, which is appropriate to neither the labor they invested or their real abilities (if we do not account servitude to the political power and assistance for its survival as an ability).

Furthermore, in Macedonia, the number of major criminal acts is growing daily, in which a dozen peaceful citizens have lost their lives. Such cases regularly remain unsolved. The murderers are strolling strolling through the streets of our towns, or they are easily transported abroad (who is helping them?), particularly if characteristic mafia murders are involved—and at least half of the unclosed cases are such, most of which have been certainly paid for.

Finally, the interior minister, the person who is most responsible in every state, and therefore in our state

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as well, for the lives of everyone, including the life of the first citizen [the president], experienced the assassination attempt against the head of the state, and yet, six months later, nothing at all has been uncovered. It seems that the case will remain unsolved. This is actually what we can expect from, as the minister says, the efficient and modern police that is to protect the citizens, including politicians, from possible violence. For all his merits as a police chief—he was even decorated—he will represent the state in the world, as the foreign minister!

What does all this actually mean? First of all, it means that somebody has been making jokes at our expense for three or four years. (He is still doing this). It means that the police, who still have so many cases of murder unsolved, who cannot find a credible trail in the case of the assassination attempt against the head of state, who made a circus of collecting sand in cellars (the policemen themselves were "ashamed" of this action), and who entered apartments without warrants, arresting and interrogating people for hours only because they belong to opposition parties or are their supporters, were not established with the goal of protecting the citizens. On the contrary, they are there to support the government and destroy the opposition. So many police officers were only present in Macedonia during the Serbian occupation between the two world wars, which demonstrates that the alleged depoliticization of the Interior Ministry was actually its superpoliticization, with only one goal—to disrupt every opposition event and to facilitate a peaceful rule without any obstructions, regardless of the real administrative ability of the forces in power.

Reality, however, is totally different. Apparently. This way of ruling with the people, in which their material and spiritual impoverishment and their fear of repression become the basis of the government's authority, cannot survive for long in the modern world. The people in Macedonia have started to show their teeth. The people do not need elections for the sake of elections. The people need a new, more just, more democratic, and more capable government than the present one. It needs a government that will guarantee a safe and decent life. The signatures are not for anybody, they are against somebody.

The arrogance, the disrespect for the will of the people (guaranteed in the Constitution, which only recognizes the sovereignty of the people—the citizens), and the disrespect for reality, will be paid for dearly sooner or later. This is exactly what this government has forgotten. It is obviously unable to overcome the euphoria of acquiring power and believes that anything is permissible. It is hard to believe that the payback that has been building up in these years of dirt can be postponed infinitely. The government can adopt all sorts of laws, it can trample on the Constitution, and it can even write more childish statements than that of the SDSM [Social Democratic Alliance for Macedonia] regarding the collection of signatures (just imagine, the government is complaining that somebody is maltreating its people!), although it must not forget that Macedonia is no longer a distant "Oasis" (it is only a question of what it is!) and that even the foreign support can be lost quite easily, especially if they keep ignoring the evident will of the people, which suffers from its neglect. If it does continue with all this, then we have entered deep into that dangerous adventure called political dictatorship.

FYROM: Extradition of Suspect From Albania Questioned

96P20378A Skopje FLAKA E VELLAZERIMIT in Albanian 27 Mar 96 p 2

[Unattributed report: "Albania Hands Over Gligorov's 'Attacker'"]

[FBIS Translated Text] A few weeks ago, the Albanian police in Tirana arrested Remzi Hoxha, from Kacanik, the owner of a private firm in Tirana. Even though he was arrested during the daytime and in the presence of his employees, an aura of mystery still remains in regard to this arrest, the newspaper POPULLI PO writes.

For a long time, the police denied that it had anything to do with the arrest. After the opposition press wrote about this incident, Remzi's family was given the explanation that the ShIK (National Intelligence Service) was dealing with Remzi and that they could not communicate with him. This charade of the ShIK has been going on for several weeks and, according to the laws of the Albanian state, neither the police nor the ShIK have the right to keep him in isolation for more than two days.

Remzi's family supposedly offered the Albanian government more than one million marks, just to check and see if Remzi is still alive. However, this could not be done.

Various stories were circulated as to why he was arrested in Tirana: drugs, the mafia, etc. Later, there were reports that Remzi was connected with the assassination attempt against Gligorov and that he had been handed over to the Serbian [intelligence] organs.

Most recently, this newspaper says that a source inside the ShIK informed it, confidentially, that Remzi was handed over to the [intelligence] organs of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM].

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What do we have to say about this? Today, Remzi Hoxha is being handed over to the Macedonians, tomorrow, the "terrorist" Tom Berisha might be handed over and, the day after tomorrow, the Serbs might be given the "chief terrorist," Bujar Bukoshi! The paper asks where Bujar Bukoshi is now.

FYROM: More Details on Death of Corporal

96P20376A Skopje FLAKA E VELLAZERIMIT in Albanian 12 Mar 96 p 7

[Unattributed report: "Communique of the Ministry of Defense on the Murder of Corporal Zareski—Soldier Isuf Bislimi Is Under Detention"]

[FBIS Translated Text] Skopje, 11 March (Makpres)—According to information available to the Ministry of Defense of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], on the basis of the statements of competent superiors, the tragic incident during which the late Corporal Goran Zareski was shot with a firearm took place on 7 March 1996 at about 1920, in one of the guard houses of the Petrovic barracks, in Skopje.

At that time, Corporal Zareski and another guard were lying on one of the beds in the corporal's bedroom, talking to each other.

The shot was heard by the guard who was in the next room and also by the commander of the guard, the corporal of the guard and the cook, who were in the commander's room, in the same guard house.

Immediately after this, the commander of the guard ordered the corporal of the guard, by means of the telephone which was in the same room, to notify the monitor of the barracks. The monitor of the barracks arrived in the guardroom about 1925 and returned immediately to get the ambulance from the barracks garage.

The ambulance and the monitor's car arrived at the site of the incident about 1930 and the wounded Corporal Zareski was taken from the entrance to the guardhouse and transferred to the military hospital at 1955.

Immediately after this, the commander of the guard was running in front of the entrance to the guardhouse where he encountered the guard Isuf Bislimi, who was coming from the place from which he fired the shot. His gun and ammunition were taken away from him and he was handed over to the military police, who had arrived in the meantime.

After being held by the competent military organs, he was handed over to the public prosecutor within the time period set by law and the public prosecutor sentenced him to 30 days detention.

An investigation of the entire incident is under way.

The competent military organs note that Corporal Zareski had made preparations on time for the changing of the guards at 1800. The preparations had been made in accordance with Service Regulations, checking the guns, emptying them and handing over the ammunition. The changing of the guards took place on time and in accordance with regulations.

Also, the competent military organs noted that the guard Isuf Bislimi abandoned his guard post before he was replaced, which was a violation of the Service Regulations, the Ministry of Defense communique states.

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Poland: President, Opposition Leaders Discuss Moscow Trip

WS0504131896 Warsaw TRYBUNA in Polish 5 Apr 96 p 3

[Article by "W.D. GOL": "Consultations Before the President's Trip to Moscow; Support for the Eastern Policy"]

[FBIS Translated Text] The consultations which Aleksander Kwasniewski holds before his more important foreign trips have already become a tradition. On Thursday [4 April], four days before his Moscow visit, the president met with the leaders of all the parliamentary clubs and circles. He also talked over the phone with Ukrainian President Leonid Kuchma about—as [presidential spokesman] Antoni Styrczula put it—"the most important issues of the region."

After the meeting, which was almost an hour longer than was scheduled, Bronislaw Geremek, head of the Freedom Union club and chairman of the Sejm Foreign Affairs Commission, told journalists that the president's guests were satisfied that the president held the consultations with them, because it is a good political custom. The talk was held, as Professor Geremek said jokingly, in a "frank party atmosphere." [Presidential] Minister Siwiec informed that the discussion of the main purposes of the visit turned into a debate on the Polish eastern policy.

The participants in the meeting noted considerable coincidence of views on these problems. Geremek said that the borders of the national interest and raison d'etat were drawn well before the visit. Even Leszek Moczulski (leader of one of the factions of the Confederation for an Independent Poland) expressed full support for the president's attempts to "tighten relations with Lithuania, Ukraine, and Belarus."

According to the president's guests, the visit may be of significant importance to Poland because we certainly need to have good relations with Russia, relations based on truth and clear-cut specification of the interests of both sides.

The president, who will be accompanied by his wife, will begin his official visit to Moscow on 9 April. The day before he will go to Katyn, where he will take part in an ecumenical mass. In Moscow he will hold talks with President Boris Yeltsin, Prime Minister Viktor Chernomyrdin, as well as many other Russian politicians, entrepreneurs, and journalists.

During the visit a meeting of young people from Poland and Russia will be held, and Aleksander Kwasniewski will make two addresses: one at a meeting with Russian entrepreneurs, the other in front of the students and employees of Lomonosov University. The trip will end in Irkutsk, where the president will meet with the Polonia community.

Poland: Rosati Views Kwasniewski's Coming Trip to Russia

LD0604141896 Warsaw Polskie Radio First Program Network in Polish 1300 GMT 6 Apr 96

[FBIS Translated Text] During President Aleksander Kwasniewski's Moscow visit, which begins tomorrow, agreements on visa-free traffic and readmission, i.e. the mutual exchange of persons who cross the Polish-Russian border illegally, will not be signed.

Foreign Affairs Minister Dariusz Rosati explained that the sides failed to prepare agreements which would be acceptable both for Poland and Russia. Rosati thinks that the Polish president visit to Moscow, the first on such level in three years, is a signal that Poland, remembering the past, is ready to open a new chapter in mutual relations based on joint interests.

The minister said that three or four agreements were likely to be signed in Moscow. Among them were agreements on youth cooperation and road transport.

It is also possible that memoranda on the cessation of military agreements regarding the Soviet troop withdrawal from Poland will be exchanged. Rosati stressed that he saw no chance of obtaining Russian permission to Polish membership in NATO, which, according to him, would not discourage us from seeking that membership.

Poland: Rosati Views Ties to Croatia, Russia

AU0704152096 Zagreb VJESNIK in Serbo-Croatian 4 Apr 96 p 4

[Interview with Polish Foreign Minister Dariusz Rosati by Kresimir Kopcic on 3 April; place not given: "We Have the Same Objectives—Europe and NATO"]

[FBIS Translated Text] *The Polish model of political and economic reform has brought some concrete results in the last five years—accelerated and successful privatization of the former public sector is only the most apparent achievement. According to recent data, in the last two years alone more than $11 billion have been directly invested into Poland, and almost $22 billion are expected up to the year 2000. Politically the Republic of Poland is one of the most serious candidates to join the European Union; it is a member of the Partnership for Peace, Central European Initiative, and CEFTA [Central European Free Trade Area].*

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On the eve of his visit to Croatia on Thursday [4 April], we asked Dariusz Rosati, foreign minister of the Republic of Poland, for an interview:

[Kopcic] Mr. Rosati, you have been discharging this office for a bit more than three months, first as a member of the government of former Prime Minister Jozef Oleksy, and now as a member of the cabinet of Wlodzimierz Cimoszewicz. Nevertheless, what would be your appraisal of bilateral relations between Poland and Croatia so far?

[Rosati] Our mutual relations have been developing very well. At the prime minister level we have had three meetings so far, and at the ministerial and parliamentary level many more. The ministries of foreign affairs have been maintaining standing relations, and the visit of my deputy Stefan Meller to Zagreb in February contributed to that, similarly to Mr. Sanader's visit to Warsaw last year. We established mutual diplomatic relations as early as in 1992, and last year we signed an agreement on the takeover of the agreement between Poland and the former SFRY [Socialist Federative Republic of Yugoslavia] which, practically speaking, is the end of the construction of the legal infrastructure of our mutual relations.

Common European Aspirations

[Kopcic] Which aspects of future cooperation do you expect? What will be the subject of your talks with Croatian officials?

[Rosati] Poland wants to establish relations with Croatia in all fields. Both countries aspire to join the united Europe. Poland, which has already signed the agreement on cooperation with the European Union, is willing to share the experience of such status with your country and counsel Croatia in the process of adapting its legal regulations to the European Union standards and in the negotiations with Brussels. We are satisfied because the bases of the legal infrastructure have been completed during 1995 and because it will make new contacts possible, particularly in the economic field.

I think this region has a significant economic potential, and recent meetings between Polish and Croatian businessmen have shown a significant growth in economic cooperation in the last two years. In February 1995 Warsaw hosted the Croatian Economy Exhibition and in Zagreb, in April last year, there was an economic promotion of Poland under the rubric "Poland Now." In that context, perhaps I could mention "Vegeta," the most famous Croatian export article in Poland—it is advertised everywhere in Warsaw, even on streetcars.

I am convinced that in this field progress is possible and that it offers advantages to both sides. Activities like shipbuilding, energy and transport, chemical industry, fruit processing, construction and architecture, should also be taken into account. We are interested in imports of Croatian food products, including wine. The expected turnover this year is $100 million, and our objective is to achieve the $150 million level as in 1989. Apart from that, there is significant potential for cultural and scientific exchange and tourism. All this will be on our agenda in Zagreb.

The Future Lies in Close Economic Relations

[Kopcic] Poland is interested in maintaining good political and economic relations simultaneously in northern, central, and eastern Europe. Can you indicate the importance of integration through organizations like the Central European Initiative (CEI) and Central European Free Trade Area (CEFTA)? Which criteria should Croatia, which has already become member of CEI, satisfy in order to join CEFTA?

[Rosati] The Balkans has throughout history always been a conflict area. Such open organizations as CEI and CEFTA are trying to change such a political pattern and eradicate potential dangers. I am deeply convinced that this is their real task. CEFTA is a bilateral free trade area and Croatia should tend to join that area. The future lies in close economic relations and, probably, in the reform of old traditions.

I would like to emphasize that in the past both Croatia and a large part of Poland were a part of the Austro-Hungarian Empire, a state which, no matter what the historians thought about it, guaranteed economic and social stability to its citizens. We should stick to that example, and if Croatia decides to join CEFTA, it is necessary to solve bilateral agreements, to become a member of the World Trade Organization (WTO) and sign the agreement.

NATO Membership—Top-Priority Objective

[Kopcic] Allow me to ask you a couple of questions about the status of Poland in Europe today. It is well known that the majority of Poles approve joining NATO and the European Union, but it seems to me that constant disapproval of that has been coming from Moscow. What is your opinion about this?

[Rosati] Poland's political principles are clear and have been stated many times before: We want to join NATO and become a member of the European Union. The Polish general public is firm about that. We are aware of the Russian veto, but at the same time we are trying to convince our eastern neighbor that Poland will represent no threat to Russia, and that Poland's admission into NATO will essentially change the organization itself.

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Russia has no reason to fear Poland, but there could be mutual benefit in this new situation. We must be patient and explain our stands. We have already taken that route and there has been, to a certain degree, some progress made.

[Kopcic] Prime Minister Cimoszewicz in his speech before the Polish Parliament in February pointed out the top priorities of his government and the Republic. Can you give us a brief survey of those priorities?

[Rosati] Our strategic objectives are: NATO and EU membership, friendly relations with neighboring countries, active regional politics in central and eastern Europe, and economic activity within regional agreements on cooperation. Polish foreign policy has remained unchanged in relation to the principles from 1989, and the prime minister has emphasized that once again. Despite political changes in Poland, the political strategy in the last seven years has never been questioned. I am happy I can follow that pattern and I hope that in the future I will be able to supplement that political program.

[Kopcic] One more question related to mutual relations. What are the possibilities regarding the promotion of economic relations, particularly in the fields of trade and tourism?

[Rosati] The legal infrastructure, completed in 1995, has limited the activities of our politicians to a certain degree. At the moment, when our economies follow the principles of the market without legal obstacles to development, enough space has been created for making business between Polish and Croatian companies.

We are facing the signing of the agreement on tourist exchange. There are regular flights from Warsaw to Zagreb, and since last summer there has been a regular bus line from Katowice to Rijeka. The first tourist agreements between the economic chamber in Rybnik and partners in Istria and Dalmatia have also been signed. I believe that this initiative, besides the stabilization in Bosnia-Herzegovina, increases the economic value of our relations, particularly because the part of the Croatian coastline between Split and Dubrovnik has always been a favorite destination for many Poles and a synonym for sun and warm sea.

Poland: Rosati Seeks 'Best Possible Relations' With Russia

LD0704175696 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 7 Apr 96

[FBIS Translated Text] Polish Foreign Minister Dariusz Rosati said that our country neither expected nor sought Moscow's approval to join NATO. Minister Rosati expects that during Aleksander Kwasniewski's visit to Moscow, the Russians will certainly continue to oppose our membership in NATO.

However, Poland will be guided by her own interests and will not alter her position on joining NATO. Rosati added that contacts between Poland and Russia had recently picked up a great deal. He thinks this can be put down to making up for what has been lost over the past few years.

[Begin Rosati recording] We did say we will endeavor to have a dialogue in all areas of relations with Russia and this is a manifestation of this greater activeness. Please do not look for any hidden meanings here; we really are keen to have the best possible relations with Russia.

I think our efforts are perceived rather favorably in the East and West alike. [end recording]

Poland: Kwasniewski To Meet Opposition in Russia

LD0704194596 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 7 Apr 96

[FBIS Translated Text] Marek Siwiec, secretary of state at the president's chancellery, said that during his three-day official visit to Russia that begins tomorrow, Aleksander Kwasniewski will not only meet representatives of the authorities but also of the opposition.

Siwiec said that the president will be accompanied on his trip to Russia by a group of young people and businessmen.

[Begin Siwiec recording] We want to emphasize very strongly indeed the duty of politicians to set intellectual exchanges going among the younger generation not tainted by distant or more recent history.

A group of 15 businessmen is going with us and they will air their own, specific interests, so we will have a great many tangible issues to debate, albeit not as spectacular as is sometimes the case. [end recording]

Poland: Geremek Comments on Kwasniewski's Moscow Trip

WS0504143096 Warsaw GAZETA WYBORCZA in Polish 5 Apr 96 p 3

[Interview with Professor Bronislaw Geremek, chairman of the Polish Sejm Foreign Affairs Commission, by Edward Krzemien; place and date not given: "What To Take to Moscow"]

[FBIS Translated Text] [Krzemien] Can President Boris Yeltsin use the forthcoming visit [of President Kwasniewski] to weaken Poland's stand on integration with NATO?

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[Geremek] The Moscow visit may be the most important of all the foreign trips which the new president has taken so far. The primary problem will be how President Kwasniewski will specify the priorities of Polish foreign policy and how unequivocal he will be in his talk with President Yeltsin. Poland needs to have good relations with Russia, but they must be based on partnership.

As chairman of the Sejm Foreign Affairs Commission, I accompanied [former] President Lech Walesa on his visit to Russia in 1992. I think highly of President Walesa for the clear language which he used during the talks of the two delegations. I believe that the same language should be used in the talks held between President Kwasniewski and President Yeltsin.

One needs to speak openly, then one will be understood best. As a result, the other side will not be tempted to try to find solutions in which NATO expansion would be reduced to the enlargement of the political structures only.

Poland and Russia do not agree as far as our country's integration with NATO is concerned. Since the election campaign in Russia has already begun, this will not be changed during President Kwasniewski's visit. Nonetheless, there is still a broad area of economic and political cooperation between Poland and Russia, which should be the main topic discussed during this visit.

[Krzemien] Does this mean that Kwasniewski should avoid discussing the subject of the dispute?

[Geremek] On the contrary. Introduction of such a false tone would reinforce the trends in Russia toward taking advantage of its superpower position in Europe. The Polish president should not confine himself to making a general statement that Poland wants to join NATO.

It should be stated clearly that Poland wants to obtain all the rights and to take on all the duties which NATO membership involves. This means complete acceptance of Article 5 of the Washington Treaty, which envisions solidarity among the members of the alliance if one member state is attacked. Other solutions, which can sometimes be found in Russian newspapers, are out of the question.

Furthermore, it is not necessary to evade questions regarding the stationing of nuclear forces and military bases. Poland's stand must not leave room for ambiguous interpretations. All the rights and all the duties—this is our principle in integrating with NATO.

As a matter of fact, nothing indicates that once Poland becomes a member state of NATO will it be necessary to relocate the nuclear forces or military bases in Europe.

There are also questions asked by the Russian side which must be understood and discussed. After World War II Russia was aware of the great contribution it made to the victory; it feels that it is historically responsible for building its own secure future.

This must not mean reasoning in terms of maintaining the situation which developed in 1945, that is, maintaining spheres of influence to ensure some kind of a balance. This violates the sovereign rights of the countries which regained their independence after 1989. In addition, for Russia itself it means a dangerous temptation to return to its imperial policies and contradicts the interests of Russian democracy.

[Krzemien] What other possibilities exist to guarantee Russia a secure future?

[Geremek] Zbigniew Brzezinski, a keen observer of the political scene, believes that as it expands eastward, NATO ought to conclude cooperation agreements with both Russia and Ukraine. This must entail a multiplatform debate in which all the European institutions should be allowed to participate.

[Krzemien] You have broad contacts with Russian politicians. There is talk that the Russian political elites have already resigned themselves to the inevitability of NATO expansion and that the goal of Russia's diplomatic offensive is to negotiate the highest possible price for obtaining its agreement to this process.

[Geremek] Russian political circles differ on this issue. One can hear opinions that the expansion of NATO is inevitable and that the Russians should obtain appropriate guarantees or compensation. However, there is no agreement as to what this compensation should involve.

Until the end of the election campaign we will not hear either clear language or a clear political platform on the part of the Russians.

Poland: Issues Dividing Government Coalition Detailed

WS0504130996 Warsaw RZECZPOSPOLITA in Polish 4 Apr 96 pp 1-2

[Article by Ewa K. Czaczkowska and Eliza Olczyk: "The Coalition Is Divided Not Only by a World View"]

[FBIS Translated Text] When the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL] were signing the coalition accord back in 1993, they did not try to conceal some significant differences in their platforms. Disputes could be seen when Waldemar Pawlak was prime minister, and they continued when Jozef Oleksy formed his cabinet.

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The unresolved issue of self-government reform and the dispute over sale of land to foreigners have shown recently that differences between the two governing parties are deep and insurmountable. The prospect of next year's parliamentary elections makes agreement even more difficult. It is very likely that many issues which are of fundamental importance to the state will remain unresolved until the elections.

Powiats or Voivodships

In the administrative reform of the country, the coalition parties differ on a fundamental issue—should the second level of local government be the powiat [small administrative unit which existed in the past] or the voivodship? The SLD believes that the second echelon of the local government should be established in powiats. In such a situation, the number of voivodships would be reduced to not more than 10 or 12. The PSL is a definite opponent of powiats and of reducing the number of voivodships. The peasants propose establishing self-governing voivodships which would be just as numerous as they are now. They argue that the costs of establishing powiats are too high, many of the towns which now enjoy the voivodship-town status would be degraded, and the powers of self-governing gminas [smallest administrative units] would be reduced.

This week as a result of action taken by its members representing the PSL, the National Assembly of Territorial Self-Government opposed the idea of establishing powiats; instead, it backed establishment of self-governing voivodships. The PSL Chief Council obligated its parliamentarians to make efforts to speed up the first reading of the draft law on self-governing voivodships, which has been submitted in the Sejm by a group of PSL deputies. According to the peasants, elections to the voivodship self-government might be held simultaneously with the next parliamentary elections.

Prime Minister Wlodzimierz Cimoszewicz said last Tuesday [2 April] that due to differences of opinion within the coalition on the issue of the self-government reform, it will most probably not be implemented by next year's parliamentary elections.

Controversial Land

Recently the coalition parties were split quite significantly by the liberalization of regulations which allow foreigners to purchase real estate; the regulations were adopted thanks to action taken by the SLD and the Freedom Union [UW]. According to the SLD and the government (the amendment was submitted by the government), liberalization of the regulations on the sale of land to foreigners may stimulate the economy and result in creation of new workplaces in rural areas. Moreover, the SLD believes that there is no need to fear that foreigners will want to buy land in Poland en masse.

The peasants primarily criticize the regulation which allows companies with foreign capital and with a head office in Poland to buy, without a permit, up to one hectare of land in the countryside and up to 0.4 hectares of land in towns as specified by the statute. They also dislike the regulation that the Council of Ministers is free to issue an ordinance to triple this area. The PSL argues that the new regulations will make for land speculation. The party failed to reject the law in the Sejm; what the Sejm failed to do was done by the Senate, but the Sejm passed it again. PSL parliamentarians officially requested the president to veto the law and appealed to opinion-forming circles and to the Church to support their stand. Some deputies say that unless the law is vetoed, they will draw up draft amendments to it. They also deplore the fact that the coalition was unable to reach an agreement on this issue.

Taxes

The two parties differ on taxes as well. The Finance Ministry, headed by Grzegorz Kolodko, who enjoys the support of the SLD, has proposed restoration of the previous tax rates (20, 30, and 40 percent) next year. The peasants want a tax reduction, but primarily for those whose incomes are the lowest. The peasants believe that this can be achieved by cutting the tax rates by 3 percent in all the tax brackets (not cutting them by 1, 3, and 5 percent). The PSL also objects to limiting the current tax breaks, particularly tax breaks for those who have bought books or other materials to broaden their education, those who send their children to nonpublic schools, and those who commute to school.

The Concordat Suspended

The PSL is the advocate in the coalition of quick ratification of the concordat signed by the Polish government and the Holy See in July 1993. PSL deputies have been obligated to vote for the ratification of the concordat by a resolution of the Chief Council. On several occasions a group of PSL deputies launched initiatives in the Sejm to speed up voting on this issue. The peasants also submitted several drafts laws related to the concordat.

The SLD's views on the ratification of the concordat are evolving. When the party was taking over power in Poland, it firmly objected to the ratification of the agreement in its current form. Some SLD members went even as far as to demand that the concordat be renegotiated. Right now, however, it looks like SLD has relented quite significantly. There is no longer any talk of renegotiation but only of interpretation of some

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of its provisions. President Kwasniewski believes that the concordat must be ratified. It is no secret that talks are under way on this issue. However, as a result of action taken by the SLD, work was recently begun to amend the antiabortion law and to put on the Sejm's agenda the discussion on establishing an extraordinary commission which would verify decisions made by the Regulation Commission (which looks into property claims filed by the Catholic Church). Both initiatives are very unpopular in the Church.

The Return of Abortion

The issue of liberalizing the regulations which specify when abortion may be performed (in fact, the purpose of the initiative is to lift the ban on performing abortions for so-called social reasons) splits the coalition, but the split is not so noticeable as in the case of the concordat. In the PSL abortion is treated as an issue that depends on people's general world views, and for this reason PSL deputies are free to vote in line with their conscience—no discipline is imposed on them. The party does not have any official documents on this issue either. During the latest vote on the motion to reject the amendment which envisioned more legal abortions, most members of the PSL Club voted against it. The SLD is a strong advocate of liberalizing the regulations which specify the conditions for performing abortions. Introducing the right to have an abortion for so-called social reasons was one of the primary elements of both the 1993 parliamentary election campaign and the presidential campaign waged by Aleksander Kwasniewski. Thus, the decision to send the draft amendment to the appropriate Sejm commission was made chiefly by the deputies of the SLD, as well as the Union of Labor and the UW.

Real Estate Under Control

The possible establishment of an extraordinary commission to control the activity of the Regulation Commission may become a real bone of contention between the SLD and PSL. The Regulation Commission, made up of representatives of the government and the Episcopate, examines real estate motions submitted by the Catholic Church; the Church wants to resume possession of the real estate which it owned in the past. The authors of the motion to set up the control commission, including SLD deputies, argue that the Catholic Church is the only institution which is entitled to resume possession of property, whereas no other institutions or individuals have a chance to regain their property because there are no reprivatization regulations. They also point out that the [Regulation] Commission is the only organ handling this issue, which is wrong, and add that it gives positive answers to motions which go back as far as several centuries. The PSL, which opposes establishing the commission, believes that the Regulation Commission acts on the principle of reaching settlements, and for this reason there is nothing to verify. This issue will be decided at the next sitting of the Sejm.

Poland: Sejm Justice Committee Head Interviewed

WS0804064996 Szczecin GLOS SZCZECINSKI in Polish 23-24 Mar 96 p 3

[Interview with Aleksander Bentkowski, deputy of the Polish Peasant Party and chairman of the Sejm Justice and Human Rights Committee, by Wanda Jurczak; place and date not given: "One Cannot Give More to the Police"]

[FBIS Translated Excerpt] [Jurczak] We are all waiting for the codification of the penal law and you know about these changes best...

[Bentkowski] During the next Sejm session we will begin working on the three criminal codes. This work is so enormous and meaningful that it can be compared only to establishment of the new constitution.

[Jurczak] What are the most significant changes in the bills which will have an influence on improving citizens' safety?

[Bentkowski] Early last year we decided to bring the legal regulations, embraced in the new penal code, into effect. This is what happened with the law on protection of economic turnover, "incognito" witnesses, and extraordinary police powers when it comes to using special measures. I am convinced that when our prosecutors learn how to make use of the law on economic turnover protection, which took effect on 1 January 1995, the number of trials aiming at curbing economic crimes will be significantly larger. This law provides the prosecutors and courts with a powerful tool; at the same time, it is a very difficult subject and the prosecutors are learning banking and insurance issues in the course of a proceeding. The regulations which aim directly at improving safety are, in fact, the police powers such as the use of provocation, eavesdropping, firearms. In a nut shell, the police got what they wanted. Moreover, there is a bill in the Sejm on the so-called crown witness. This bill may have fateful consequences. It offers a possibility for a coperpetrator of a crime to be released from prison and go unpunished, but at the same time it does not guarantee that his pals will not take revenge on him. From a moral point of view, the bill is controversial but I think that the deputies will have no doubts when it comes to adopting it. And finally, the bill on the "crown" witness, which is to guarantee that the people who do not want to come out into the open because

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of their safety, will remain anonymous. The bill is also to encourage people to report crimes. One cannot give more to the police to improve safety.

[Jurczak] Does the codification of law provide for sentencing and carrying out the death penalty?

[Bentkowski] Our law does not provide for such a punishment but we are aware of the fact that the Sejm will decide about it under intense pressure not to say compulsion from the public, which even demands a referendum on this issue. I was an opponent of capital punishment, but later I changed my mind. I think, however, that my colleagues from the Freedom Union and Labor Union and to a large extent those of the Left Democratic Alliance will force the death penalty abolition.

[Jurczak] The police have been sufficiently empowered, the prosecutors' office has powerful tools, the penal code will be amended; do the members of the Sejm Committee for Justice feel fine about it—unlike the society which feels threatened?

[Bentkowski] No, we do not feel fine because the regulations that have been introduced are not yielding positive results. However, I would like to calm you down. It is obvious that gangsterism does exist in Poland, but the situation is much better than that in the western European countries. Despite the fact that the police force is twice, three times smaller, cases of gangsterism are also twice as low as those in Germany, France, or the United Kingdom, to say nothing of Italy. However, the number of people who serve their prison terms is twice as small. Perhaps the severity of punishment has brought about fewer criminal acts in Poland than elsewhere.

[Jurczak] Is there anything that you personally would like to introduce to criminal proceeding?

[Bentkowski] I would like to introduce the possibility of reaching an out-of-court settlement between the prosecutor and the attorney on the duration of a prison term. In the United States about 85 percent of cases are settled this way without a full trial and the possibility of an appeal. A case which could involve 40 witnesses is completed in one court session.

[Jurczak] Are you for or against the separation of the office of justice minister from that of the general prosecutor?

[Bentkowski] Honestly speaking, as the minister of justice, it was I who incorporated the prosecutor's office into the Justice Ministry, so one can hardly expect me to opt for separation of the offices. Lenin once came up with that idea, which Stalin later brought into effect. I can see no reason why one should reintroduce this structure, and to say that the separation would make the general prosecutor independent is a misunderstanding. There is no truly independent office in the state. We are oversensitive to the fact that politics has an influence on the selection of people. I will give you an example from the United States. The moment a new President of the United States is elected, 96 general prosecutors submit their resignations, and the President appoints new ones tailored to his cut. It does turn out to be useful in old democracy. Now we return to our backyard. Having incorporated the prosecutor's office in the ministry, I made an assumption that I would be zeroing in on the separation of the court from the Justice Ministry, to such an extent that the courts would have no financial relations with the ministry. The finance minister is against it. He once said that he did not understand the uproar over the independence of the courts because this independence is written in the Constitution. I told him that during the reign of Stalin there was such a passage, too. Apart from this separation, one needs to create tools and guarantees of its implementation, among other things, to draw up a separate judicial budget and let the justice minister deal only with the prosecutor's office. The separation of the prosecutor's office from the ministry, however, can cause the government to cease being responsible for the state security.

[Jurczak] You were an opponent of vetting and you changed your opinion on this issue...

[Bentkowski] This is true. I think that vetting is necessary. If one wants to stop talking about it, one needs to go through it. There are some bills which vary only in details; for instance, who is to be vetted and who is supposed to do it? The Polish Peasant Party wrote in its bill that it is the Supreme Court judges who should do it. In my conversation with Prof. Strzembosz, the chairman of the Supreme Court, I learned that the judges do not want to do that. On the other hand, I do not believe in some extraordinary Sejm committees. The biggest problem, however, is with international agreements that raise an important argument—namely, that we do not have the right to carry out any vetting. High-class specialists argue it this way: If someone was an informer in the previous system, then he or she acted in line with law, and if it did not lead to committing a crime, one cannot accuse such a person. To make matters worse, the present law does not prohibit cooperation with the Office of State Protection. Why should somebody take the consequences of the fact that he or she once acted legally since now it is not forbidden either? [passage omitted]

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Poland: Polish Trade Office in Rome Attacked

LD0804103596 Warsaw PAP in Polish 0934 GMT 8 Apr 96

[Article by Waldemar Janiec]

[FBIS Translated Excerpt] Rome, 8 Apr (PAP)—Unknown perpetrators threw an incendiary device onto the premises of the Polish Republic's Commercial Counsellor's Office in Rome during the night of Sunday-Monday. Polish circles are linking the incident with the wave of outrage in Italy caused by Saturday's demonstration by skinheads at the Auschwitz concentration camp.

The incident occurred at 0300. Unknown persons drove up to the Commercial Counsellor's Office in Via Olona and threw a Molotov cocktail through the fence. Employees living at the Commercial Counsellor's Office succeeded in extinguishing the fire.

Professor Tomasz Bartoszewicz, head of the Commercial Counsellor's Office in Rome, has asked the Italian authorities to step up security for the building housing the office. [passage omitted]

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Romania: Melescanu Outlines Strategy for EU Adherence

AU0604181296 Bucharest Radio Romania Network in Romanian 1900 GMT 5 Apr 96

[Interview with Romanian Foreign Minister Teodor Melescanu by correspondent Nicu Popescu in Bucharest on 5 April—recorded]

[FBIS Translated Text] [Announcer] Regarding the appraisal of the candidate countries for EU integration—which is made in accordance with the decisions of the EU Council meeting in Madrid—last week marked the completion of a questionnaire which will be submitted to the interested parties by 15 April. Romanian Foreign Minister Teodor Melescanu said in an interview granted this evening to our colleague Nicu Popescu that, on the basis of this questionnaire, the stage and prospects of each country's comprehensive development will be concretely outlined. Here is this interview:

[Popescu] Mr. Minister, we have learned recently that the EU associate countries will receive a questionnaire by the middle of this month. Many people wonder what this questionnaire might contain.

[Melescanu] As you have had the opportunity to inform your listeners in the past, one of the decisions adopted at the EU meeting in Madrid was to start a process of appraisal of the various applications submitted to the EU so far, including Romania's. This appraisal should begin with a very concrete and detailed presentation, so to say, of the stage and prospects of each country's development in all spheres—political, economic, human rights, and democracy in general. To ensure that this assessment process is not something done by someone from the outside—like one sitting in Brussels, for instance—about a faraway country in central Europe, the EU decided that this X-ray should be done together by the EU Commission and each candidate country. The sending and delivery of this questionnaire mark the legal start of this process, because, through the questions it contains and the very detailed request for data, this questionnaire—which has more than 200 pages and covers a whole range of problems, from political to environmental protection issues—will allow the candidate country and the EU Commission to present a pretty true situation of the stage of each country's capabilities and long-term programs, so as to permit a more or less clear estimation of when, how, and under what conditions each candidate country can become compatible with the EU standards. Therefore, this is the main purpose of the questionnaire.

However, I would like to add that, although it has officially been launched only now, we have already begun preparations in the anticipation of this event and have gathered and are further trying to gather the respective data. The moment we take delivery of the questionnaire, we will start to systematize these data and information, whose gathering has already started.

[Popescu] All this is happening so that, when the intergovernmental conference, which started in Turin last week, is finalized, all the central European countries wishing to join the EU should have a common start. Does that mean that all of them will reach a common denominator in this period?

[Melescanu] No. The idea stressed in Turin, which was actually taken over from the Madrid documents, is linked to the desire for a nondiscriminatory treatment of all applicants. Everybody realizes and hopes—and we have enough reasons to believe that this hope can become a reality—that the negotiations will simultaneously start with all candidate countries; at the same time, it must be obvious to everybody that the duration of each negotiation and the terms for the implementation and validation of the respective agreements may differ from one country to the other. Therefore, we are not necessarily emphasizing the idea of leveling out all these terms, because the levels are different from country to country and there are differences between us. What we want to emphasize is the need for a common start, while the flexibility of approaches can be reflected in the different duration of the respective negotiations.

[Popescu] Many of our listeners may not know that countries which are full EU members today have had negotiation periods varying between two years to more than seven years.

[Melescanu] Indeed, and I would like to add that, after the conclusion of the respective negotiations—some of which lasted for quite a long time, up to seven years—each country was also given a period of transition, with the respective agreement being fully applicable in the meantime. In the case of certain countries, such as Spain and Portugal, this period of transition was fixed at 15 years; in the case of Portugal, it is still not over yet. Therefore, I believe that the EU has enough experience to apply the principle of flexibility in tackling each country separately.

[Popescu] Our hope is that, when the time comes, we will be ready for the start.

[Melescanu] As you know, the strategy adopted at Snagov, namely the strategy for Romania's integration into the EU, fixed the year 2000 as the approximate date of our admission to the EU, as stipulated by the Snagov document. Therefore, Romania intends to become a full member of the EU.

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Romania: Iliescu Affirms Need To Develop Nuclear Power

AU0704163796 Paris AFP in English 1455 GMT 7 Apr 96

[FBIS Transcribed Text] Bucharest, April 7 (AFP)—Romania vowed Sunday [7 April] to press ahead with its nuclear energy program, as it prepares to put a Canadian-designed reactor into operation next week. "We will continue," President Ion Iliescu said, adding that the only obstacle would be to find the money to erect more reactors after the first at the Cernavoda power station is inaugurated on April 17.

Canadian Prime Minister Jean Chretien is to attend the launch of the reactor, which is based on the Candu 6 heavy-water reactor and is the first Western-designed reactor in central and eastern Europe.

Financing other reactors, and the future of Romania's nuclear program, will be the major item on the agenda during Chretien's visit. Romania is also in negotiations with Italy for nuclear technology.

With a capacity of 705 megawatts, the new reactor is to supply 10 percent of Romania's power needs. Work on its construction began in 1979, under the former regime of communist dictator Nicolae Ceaucescu. The project is a joint venture between the Romanian Electric Bureau and a consortium that comprises Atomic Energy of Canada and Italy's Ansaldo group.

On prospects for exporting electricity to neighboring Ukraine and Bulgaria, Iliescu said that would be possible in theory, "but the (new) power station will be important for us to meet the needs of the national economy."

Both countries' power grids are connected to Romania's, but have faced electricity shortages since the breakdown of the Chernobyl nuclear power station in Ukraine 10 years ago this month. That incident sent a radioactive cloud across Europe and raised new questions around the world about the safety of nuclear power plants.

Managers at the Cernavoda plant say that three inspections by the International Atomic Energy Agency since 1991 have concluded that the facility is reliable and safe.

The project has been bankrolled so far by the Romanian Government, with the help of 400 million dollars in loans from Canada and Italy.

Romania: Local Elections Slated for 26 May

AU0604143096 Bucharest Radio Romania Network in Romanian 1000 GMT 6 Apr 96

[FBIS Translated Text] Oliviu Gherman, president of the Social Democracy Party of Romania, currently on a visit to Craiova, made a few statements about the date of the local elections. At a news conference today, Oliviu Gherman said that, if no challenges are made about the constitutionality of certain aspects related to the local elections, they will be held on 26 May. If such challenges are made, then the first ballot of the local elections will take place on 2 June, our correspondent Cornel Sorescu reports.

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Federal

FRY: Minister Rejects War Tribunal's Extradition Request

AU0804091996 Belgrade DNEVNI TELEGRAF in Serbo-Croatian 5 Apr 96 p 1

[Unattributed report: "We Will Not Extradite Sljivancanin, Mrksic, and Radic; This Would Not Be in Line With Our Constitution"]

[FBIS Translated Text] Novi Sad—Federal Defense Minister Pavle Bulatovic stated in Novi Sad yesterday that the federal government has decided to establish full relations with The Hague Tribunal, but not in the present way, according to which Yugoslavia is being asked to extradite its citizens, but in the way in which we would jointly investigate war crimes, if they exist. "Be assured, our country will not protect war criminals but will also do everything to protect its citizens," Bulatovic said.

Speaking about the fate of the three officers of the former JNA [Yugoslav People's Army]—Sljivancanin, Mrksic, and Radic—against whom The Hague Tribunal has filed charges, Minister Bulatovic said that the provisions of our Constitution forbid the extradition of our citizens.

FRY: Full Diplomatic Relations With Macedonia Established

LD0804105296 Belgrade TANJUG in English 1009 GMT 8 Apr 96

[FBIS Transcribed Text] Belgrade, April 8 (TANJUG)—The foreign ministers of the Federal Republic of Yugoslavia and Macedonia, Milan Milutinovic and Ljubomir Frckoski signed in Belgrade on Monday [8 April] an agreement on a regulation of bilateral relations and promotion of cooperation.

With this act the two sides have expressed the deepest interest of their peoples to live in peace, in mutual understanding and goodneighbourliness, the document said.

This document has established full diplomatic relations at ambassadorial level between the two countries.

FRY: Red Cross Says State of Refugees 'Critical'

LD0504173296 Belgrade TANJUG in English 1714 GMT 5 Apr 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, April 5 (TANJUG)—The humanitarian state of refugees sheltering in Yugoslavia, especially of those accommodated collectively or staying with families, is critical, the Yugoslav Red Cross said in its latest bulletin.

Municipal red cross organisations have been warning for months that they can only provide minimum supplies of food, personal care items, clothes and footwear for about 500,000 refugees who have registered with the Yugoslav Red Cross.

The situation is most difficult in Serbia's northern province of Vojvodina where, in addition to 53,000 refugees who found shelter in the province before Croatia's aggression on northern and southern parts of Serb Krajina last August, 144,180 fled to it after the aggression.

Most of the refugees are staying with relatives for whom the burden of hospitality is becoming too heavy both in the material and in the psychological sense.

On the other hand, refugees are overcome by a sense of guilt because they feel they are a burden to their relatives and therefore experience psychological crises, the bulletin said.

Foreign assistance to refugees in Yugoslavia is insufficient and is mainly provided by the European Union, the International Federation of Red Cross and Red Crescent Societies (IFRC) and Oxfam, the bulletin said.

In February, the E.U. humanitarian office provided food supplies for only about 125,928 refugees in Belgrade where about 184,566 refugees have been accommodated collectively or are staying with families.

The IFRC had distributed 400,000 packages of personal care items by late March, while the U.N. High Commissioner for Refugees had distributed about 200,000 winter jackets.

All that, however, is far from being sufficient. The red cross organisations had only 5,000 tonnes of food in store in late January, which is not even enough for monthly rations of food for 500,000 refugees, the bulletin said.

About 700,000 refugees are estimated to have fled the former Yugoslavia's war zones to Yugoslavia.

Serbia

Serbia: U.S. Senator: Talks With Milosevic 'Constructive'

LD0504130396 Belgrade TANJUG Domestic Service in Serbo-Croatian 1238 GMT 5 Apr 96

[FBIS Translated Text] Belgrade, 5 Apr (TANJUG)—We had a constructive dialogue on the implementation of the Dayton agreement and our bilateral relations, U.S.

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Senator Thomas Daschle said after the talks between Serbian President Slobodan Milosevic and a group of U.S. senators.

"This is an important visit for us to establish what progress in various spheres has been made in the region, especially regarding the democratization of institutions and solution of the war crimes issue," Daschle said.

Serbia: SPO Warns SPS About 'Campaign' Over Montenegro

AU0804125396 Bad Vilbel VESTI in Serbo-Croatian 6 Apr 96 p 6

[Unattributed report: "There Is No Separatism in Montenegro"]

[FBIS Translated Text] The Serbian Renewal Movement [SPO] is warning that the "accusations made by the JUL [Yugoslav United Left] and the SPS [Socialist Party of Serbia] that Montenegro is preparing to secede are assuming the characteristics of a well-organized campaign that could soon turn into dramatic clashes with catastrophic consequences."

"Podgorica and Mt. Lovcen are today what Ljubljana and Mt. Triglav were for them yesterday. Tomorrow, this will be Novi Sad and Mt. Fruska Gora, and so forth, until they reduce the state to Dedinje and Tpocidersko Brdo [Belgrade suburbs]. Acting from the position of power, be that in the case of Montenegro or the democratic opposition in Serbia, the JUL and SPS are reducing their political activities and state policies to sheer tyranny," SPO says, adding that "the dangerous campaign against Montenegro must stop immediately."

SPO takes the view that "efforts made by Podgorica to develop a modern, democratic capitalist society do not represent secessionism and deserve full support rather than perfidious blows whose outcome can only be a national tragedy."

Serbia: SPS Reportedly Disrupts Opposition Rally in Nis

AU0504135196 Belgrade NASA BORBA in Serbo-Croatian 1 Apr 96 p 5

[Article by S.N. Andonovic: "Socialists at the Opposition's Meeting"]

[FBIS Translated Text] Nis—The local SPS [Socialist Party of Serbia] also "took part" in the opposition rally on Saturday [30 March] in Nis.

That is how we have to describe, in brief, the action of the Socialists of Nis, who really did their best to be seen, heard, and felt by the opposition demonstrators gathered around the monument to the liberators of Nis in the town's main square. Apart from placing photographs of Slobodan Milosevic and signs on the surrounding buildings (the Ambasador Hotel, the Belgrade Department Store, the Central Hotel) for the occasion, at the very start of the rally of the SPO [Serbian Renewal Movement], the DS [Democratic Party], and the GSS [Civic Alliance of Serbia], the Socialists threw SPS propaganda leaflets from the roof of the Ambassador Hotel. Among other things, the leaflet urged the inhabitants of Nis to join the mass movement for a 21st century Nis. When that failed to convince the demonstrators to disperse, the town authorities turned the electricity off.

The local SPS seemed to have reserved all the rooms in the Ambassador Hotel, and it was impossible to enter, at least during the rally. "Closed due to disinfecting," said the sign on the glass hotel door guarded by two guards who looked resolved to keep journalists out of the building no matter what it took. As we were told by the SPO security, the SPS leaflets were probably thrown among the demonstrators from the editorial office of the Belami radio station, which is based in the hotel and thought to be linked to the SPS.

"That is democracy, where everybody can speak their mind. I would not mind opposition leaflets being thrown during Slobodan Milosevic's visit," an elderly gentleman and an engineer from Nis, D.S., commented on the "SPS rainfall" in a relaxed manner. While we stood in front of the hotel talking about the "absolute freedom that existed during the reign of King Peter I," hardly any demonstrator reached down to pick up a leaflet. D.S.'s leaflet was neatly folded and placed in his pocket, and he finished the discussion about freedom by saying: "Totalitarianism will not take us to the beautiful blue flag with stars on it," and pointed to the European Union flag being waved by the demonstrators not far from us.

Unlike D.S, the majority of the inhabitants of Nis who watched the rally from a certain distance did not want to talk about the opposition, the authorities, or anything. The right question to ask appeared to be: "Have you come to the rally or do you just happen to be here?" "I am just passing." "I came out of pure curiosity." "I came out for a walk, I am just watching, do not ask me anything." "Well, I don't even know whose meeting this is." That is what all those accidental passers-by told us, obviously not being in the mood to talk to journalists. A bit further on, on the bridge between the Square and the Fortress, there were an unusual number of pedestrians and "accidental passers-by" (in the opinion of the journalists and according to the estimation of those inhabitants of Nis who would talk to us) for such a nice Saturday.

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"It is not true that the people of Nis are afraid. Here, I am not afraid," said Leposava Miljevic, one of the "real demonstrators" in the crowd gathered around the stage. "I came because I cannot buy enough food for my children, I cannot feed them. And I am fainting from malnutrition myself."

For her, as for the majority of demonstrators, the important thing is for "Them" (the opposition) "to reach an agreement."

"If we all come together, we can do everything. The crowd, only the crowd can do everything," said Miroljub Stankovic, who came to the rally from Donji Medjurov by car.

Although the travel of demonstrators to the meeting was not organized, a bus was provided for the journalists from the Belgrade media editorial staffs, and a number of the DS representatives came from Belgrade on that bus. After police checks near Jagodina and Aleksinac, the bus was stopped just before entering Nis.

The policeman, whose official duty was to check why the passengers wanted to go to Nis on that particular Saturday, 30 March, received a short "explanation" from inside the bus: "We are going to a gynecologists' seminar."

[Box, p 5]

Socialists' Slogans

The slogans for this rally were mostly prepared by the Socialists.

"Boo Djindjic"; "Traitors of Nis"; "One Step Ahead of Everybody Toward the 21st Century"; "This is a Socialist Town"; "For Serbia, For Slobodan Milosevic"—those were the messages of the local SPS on big signs decorating the buildings around the central square in Nis.

Apart from the signs, there were pictures of Slobodan Milosevic everywhere, showing him at the rostrum during the last SPS congress. Those posters, obviously created in a hurry, were also used by the Socialists to cover all opposition posters the night before the opposition rally.

[Box, p 5]

The Forbidden Stage

The night before the anticipated rally, the inhabitants of Nis were informed by the local television station that the 30 March rally of the SPO, the DS, and the GSS was prohibited.

As the organizers told us, however, none of them had received a written prohibition. The DS confirmed that all they had received was a prohibition to build a stage.

[Box, p 5]

Weather Forecast

"Today, we expect the daytime temperature in Nis to be between 2 and 4 degrees [Celsius]. We expect to have rain with occasional sleet." That was the weather forecast read by the local television weatherman on the 2100 Vesti news program. The weather on the day of the rally, unlike the forecast, was exceptionally good.

Serbia: Marjanovic on Interethnic Ties on Bulgarian Border

LD0504211796 Belgrade TANJUG in English 2101 GMT 5 Apr 96

["Pool" item]

[FBIS Transcribed Text] Dimitrovgrad, Yugoslavia, April 5 (TANJUG)—Serbian Premier Mirko Marjanovic expressed satisfaction in Dimitrovgrad, eastern Serbia, on Friday [5 April] with the stable inter-ethnic relations in that multi-ethnic town on the Yugoslav-Bulgarian border.

Stable inter-ethnic relations will exert a positive influence on the further development of friendly relations with neighbouring Bulgaria and promotion of all-round bilateral cooperation, Marjanovic said in a meeting with municipal businessmen and political officials.

Dimitrovgrad has a population of 13,000, of whom 52 percent are ethnic Bulgarians, 25.5 percent are Serbs and 22.4 percent declared themselves as Yugoslavs in a 1991 census.

There is a 27,000-strong ethnic Bulgarian community in Yugoslavia (Federation of Serbia and Montenegro), who make up 0.25 percent of the country's total population of 10,400,000.

'What we need is no special status, but spacious economic scope for cooperation,' said Dimitrovgrad Mayor Nikola Stojanov, who is also a member of the Serbian parliament and chairman of the parliamentary committee on inter-etnic relations.

'We have resolutely opposed efforts to abuse the minority for the purpose of breaking Serbia and Yugoslavia,' Stojanov said.

'We have done so, deeply aware that the minority must not be a factor of division, but one of linkage, cooperation, good-neighbourliness, friendship, one of obliterating rather than erecting borders,' he added.

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Serbia: SPS Spokesman Comments on Relations With Europe

AU0804073196 Belgrade BORBA in English 3 Apr 96 p 13

[Reprint of Belgrade EVROPA interview with SPS spokesman Ivica Dacic by an unidentified correspondent; place and date not given: "Serbia and Europe"]

[FBIS Translated Text] Q: Is Serbia, or rather the Federal Republic of Yugoslavia, ready to become integrated in the united Europe?

Ivica Dacic: In terms of the characteristics of its state and people, Serbia is a European country though it is not a member of the European Union or any other European economic or political organization. In recent years, Europe has been increasingly regarded as a political concept requiring states to live in peace with one another, states whose borders would link rather than separate them, and where differences in political views, national, and religious affiliation would be eliminated. Serbia and FR [Federal Republic of] Yugoslavia can certainly find their proper place in that kind of Europe. There is no doubt that the formal accession of Yugoslavia and other countries of the former Eastern bloc to the European organization would be accompanied by difficulties as West European states still retain certain political restrictions (even today, whenever the word "Europe" is mentioned, it predominantly refers to Western Europe).

Q: How long, in your opinion, will that process last and what should be done here to extend a cooperative hand?

Ivica Dacic: The question is whether certain things have to be changed only here or on the other side too. There have been quite a lot of changes in the thinking of people who lead the European Union since the fall of the Berlin Wall, when ideological confrontation between Europe's East and West ceased to exist. A lot of things were clarified in the sense that Europe does not only designate countries with the same political system but, above all, an organization of European states that aims to strengthen peace and mutual trust among peoples and countries in the region. Therefore, there is no doubt that peace should be maintained in all of former Yugoslavia, and that peoples must again accept the normal differences in national and religious affiliation and strive to achieve living standards at a level adequate for Europe. On the other hand, the EU and leaders of European states ought to accept the fact that an organization of European states must be based on the principles of equality, mutual tolerance, and respect of all differences between European countries and peoples. Only then will it become possible to create a Europe which would be a synonym for peace, mutual understanding, and tolerance among states.

Q: You apparently believe that this will be a long and painful process.

Ivica Dacic: Yes, because European states and peoples have been seeking to create a European organization ever since that ECC was created. And they have failed, even those states which were fairly uniform and monolithic within the group of 12 initially envisaged European states. As you may recall, major problems had to be overcome when Europe was to embrace the single economic, political, and cultural framework. However, Europe is still far away from that, even Western Europe which has always considered itself to be the only Europe, which always manifested a kind of arrogance towards other parts of the underdeveloped Europe (the part some referred to as an ideological bunker), not even within that political environment were single political institutions created. The European Parliament and Council of Europe have been formed but they are rather formal institutions with practically no political and, especially, legislative authority. Moreover, in the economic spheres, there is quite a lot of resistance, especially by Britain, to establishing a single economic system. There are still a multitude of different views as to what a European organization should be.

We have reached the stage when we are beginning to learn democracy and parliamentarism. We have still not overcome numerous related ailments and certainly will have to do a lot more in this sphere. You may recall that former Yugoslavia was quite close to candidacy for associate membership of the European Community, since it then met the requirements for such membership. Therefore, there is no reason, either in terms of the political system or economic conditions, for the present Yugoslavia not to fulfill conditions for joining the European Union. But you can see that even Slovenia, an erstwhile favorite of the international community, is facing problems in regulating its associate membership since it is not only the question of meeting conditions for becoming member but rather the one of balance of political power within the EU. FR Yugoslavia's admission is more difficult owing to its present international position and the war that until recently raged in the former Yugoslavia. But FR Yugoslavia now has a political system based on the principles of parliamentary democracy; it has a system founded on multiparty elections, and the economic system based on a market economy, and is open to the world in terms of recognition of the basic standards of international law. This means that all the formal conditions for Yugoslavia's admission to the EU have been fulfilled.

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Q: Only the formal ones. The Socialist Party of Serbia [SPS] still holds the title to quite a lot of things.

Ivica Dacic: That has never been a condition for admission to the EU. If it were, half of the EU members, in which Socialist parties are in power, would have to be expelled. Misconceptions of this sort are still present here; we must tear down the "Berlin Wall" in our minds. We are talking about a new political system where, from the point of view of the international community, it is irrelevant which political party is in power. The important thing is whether it has a legal order based on the fundamental principles of international law.

Serbia: SPS Official on Albanian Separatists' Confusion

LD0604151296 Belgrade TANJUG in English 1500 GMT 6 Apr 96

["Pool" item]

[FBIS Transcribed Text] Jagodina, April 6 (TANJUG)—A senior official of the Ruling Socialist Party of Serbia (SPS), Zivorad Igic, said on Saturday [6 April] that the Dayton agreement and statements by top international factors that Kosovo and Metohija are the internal affair and an integral part of Serbia, have created confusion in the ranks of Albanian separatists in this southern province of Serbia.

'They no longer have the support of their recent political advocates and sponsors from abroad, including a number of Albanians who view Serbia as their only country as they have come to see that separatist adventurism leads nowhere,' said Igic who is also a deputy in the federal parliament.

According to him, the authorities in Serbia have always been and are still open to dialogue with all their citizens, including the Albanians, on all issues regarding the realization of their human and civil rights i.e. issues which violate or prevent the realization of the constitutional and legal rights of the citizens.

However, the authorities 'are not, nor will they ever be willing to discuss with anyone issues pertaining to the state sovereignty and territorial integrity of Serbia,' Igic told Radio Jagodina.

'The third SPS congress confirmed the orientation towards national equality and the rights of national minorities in keeping with the highest international standards, as well as Serbia's openess to dialogue with the Albanian national minority in Kosovo, with all those who support a harmonious multiethnic life in Serbia and oppose all forms of secession,' Igic said.

'However, the Albanian national minority in kosovo and Metohija should overcome the frustrations introduced by the separatist movement and, together with the other citizens of the province, take part in the political life of Serbia which is a state of all its citizens,' Igic said.

Kosovo

Kosovo: Police Raid, Shut Down Albanian-Language Weekly

AU0604193396 Paris AFP in English 1913 GMT 6 Apr 96

[FBIS Transcribed Text] Pristina, Yugoslavia, April 6 (AFP)—Serbian police on Saturday [6 April] burst into a printing works and prevented publication of the Albanian language weekly KOHA, journalists at the newspaper said.

Six police officers halted work at the private printers in Pristina, the chief town of the predominantly Albanian province in southern Serbia, where Sunday's edition of the newspaper was being prepared.

Owner of the printing works Lutfi Zhilivoda was arrested and detained for several hours by local police, said a statement from the newspaper signed by editor in chief Veton Surroi.

"At the police station, Zhilivoda was informed that printing of the weekly would not be allowed until all the texts had been submitted to security forces and police had given the go-ahead," the statement added.

The Kosovo Human Rights Committee, which is close to the Albanian opposition and at odds with the Belgrade government, said Saturday's act confirmed "the willingness of Serb authorities to stifle Albanian language newspapers."

KOHA is one three independent newspapers written in Albanian which are published in Kosovo.

In 1989 Belgrade withdrew the autonomous status of Kosovo, which has a 90 percent ethnic Albanian majority, and brought the province under full central control.

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